OVER-THE-COUNTER MARKET FEATURED IN THIS ISSUE

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EDITORIAL

As We See It

There appears to be fairly general agreement that the recession in a thing of the past. While it was under way, the politicians—and, of course, some others — occupied themselves with arguments as to what caused it and what failed to stop it in its tracks. With the depression itself no longer much of a political issue, the discussions now seem to center in larger degree upon the question of what cured it. Whether or not there is much political sustenance for either party in these claims and counter-claims we do not profess to know, but we are certain in our own minds that these discussions fail miserably to get to the root of the subject and may well stimulate a great deal of misconception and give rise later to serious errors in public policy. It is for this reason that it appears useful to give more thought to what is being said than otherwise would be the case.

There is a much greater tendency than we wish there was to attribute the revival to certain steps taken by government, sometimes for the conscious purpose of ending the recession and sometimes without reference to it; indeed many of them taken long before anything in the nature of a recession had come into being. Highway building programs developed in prior years which had by the time the recession developed begun to become operative are one of the therapeutic agents to which some credit is currently given. Somewhat the same is to be said of various government benefit programs which had given rise to very

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The Economic Outlook

By HON. SINCLAIR WEEKS*

Secretary of Commerce, Washington, D. C.

Commerce Secretary states outlook for continuing recovery is bright and that it is developing faster and on a broader scale than had been expected. In outlining some of the many things which the Administration is doing to encourage economic growth and to meet modern demands, Mr. Weeks refers to such programs as highways, aviation, and the recovery of shipping from the doldrums. Warns real trouble will develop at this critical period in our economic history unless we give private enterprise a chance to do its job and turn away socialist witchcraft proposals. Calls upon responsible members of society to keep unnecessary government spending in check and notes it was Congress that voted more appropriations than the Administration recommended.

The most striking economic fact today is the pace of business recovery which has confounded the carping critics and the faint hearts. The recovery is developing faster and on a broader scale than most people anticipated last April—the turning point of the recession. The forecast would seem to me to promise good business through the fall and into the Christmas season.

Sinclair Weeks

The outlook for continuing recovery is bright—the brightest yet this year.

Selected Key Indicators

Here is a brief glimpse of selected business indicators:

Retail sales totaled $16.9 billion in August, just slightly under the all-time high of August 1957.

The continued decline in inventory liquidation coupled with rising sales has brought the inventory-sales ratio back to that of a year ago. Businessmen indicate a firming in their plant and equipment expenditures for the second half of

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*An address by Mr. Weeks before the National Association of Retail Druggists, Philadelphia, Pa., Sept. 30, 1958.

The Over-the-Counter Market —Where All Securities Can Be Traded and Most of Them Are

By DR. IRA U. COBLEIGH

Enterprise Economist

Outlining the investment opportunities and breadth of selection in Over-the-Counter Market securities; together with an up-dated and expanded tabulation of such equities that have paid continuous cash dividends for from 5 to 174 years.

Our autumnal review of the Over-the-Counter Market starts off with a salute to bonds. It is, by now, quite well known that over 95% of all government bonds change hands, over-the-counter. During the summer this segment has been especially busy demonstrating both its functional strength and its magnitude. For many years it has been fashionable for resourceful and sophisticated investors to "ride" government bond subscriptions to new issues, employing often as little as $5,000 or $10,000 to carry a $100,000 commitment. Almost invariably these new government bond issues have advanced in price; but not the 2⅝s of 1965.

These bonds, offered in June, materialized in the form of a much larger issue than had been anticipated, and the government bond market, since then, had as bad a case of indigestion as in any year since 1920. The combination of over supply and over optimism, coupled with some quite involuntary liquidation, dipped the new securities as much as 6½ points. The huge over-the-counter government section was deployed

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SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 58.

The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

This Week's Forum Participants and Their Selections

American-Saint Gobain Corp. — G. Edward Hiscox, Director of Insurance and Growth Stock Dept., Cruttenden, Podesta & Co., Chicago, Ill. (Page 2).

Monogram Precision Industries, Inc. — Carl Schick, Partner, Henry F. Swift & Co., San Francisco, Calif. (Page 57).

G. EDWARD HISCOX

Director, Insurance and Growth Stock Dept., Cruttenden, Podesta & Co., Chicago, Ill.

Members: New York Stock Exchange, Midwest Stock Exchange and American Stock Exchange (Assoc.)

American-Saint Gobain Corporation

Recent years have witnessed a trend to use ever-increasing quantities of glass. As an indication of the penetration glass is making in various markets, present day automobiles use 50% more glass than did the 1940 models. In the construction industry, studies of architectural trends have shown that 36% more glass per unit of floor space is used in residential construction today than was used 10 years ago. The percentage increase for industrial and commercial construction is indicated to be almost as good as a result of the trend toward curtain wall construction and larger glass areas as exemplified by the Lever Brothers and Seagram Buildings in New York and the Borg-Warner and Inland Steel Buildings in Chicago.

G. Edward Hiscox

American-Saint Gobain Corporation was organized May 27, 1958 by the merger of American Window Glass Company and Blue Ridge Glass Corporation. The latter company was a wholly-owned subsidiary of Societe Anonyme des Manufactures des Glaces et Produits Chimiques de Saint Gobain of Paris, France, whose history dates back to 1665 when the company was founded by Louis XIV of France. The new company known as American-Saint Gobain Corporation was organized with the basic objective of adding a plate glass manufacturing facility and thereby creating a third, full-line producer of flat glass products in the United States.

Saint Gobain, as the French Company is generally known, now owns 40% of American-Saint Gobain common stock and has an option to purchase additional shares at $20 per share or book value whichever is lower. When this option is exercised Saint Gobain's ownership will be increased to 55%. This close association has extremely favorable implications for the future because Saint Gobain management probably has as much, if not more, know-how in the glass industry as any other company in the world. With almost 300 years of experience behind it, Saint Gobain has 32 plants and 65 subsidiaries in nine countries and employs 40,000 people.

American Window Glass Company was incorporated in 1899 as a consolidation of several small sheet glass producers. At the time of the merger with Saint Gobain this company was one of the three largest producers of sheet glass in the United States.

Blue Ridge Glass Corporation was organized in 1925 by Saint Gobain, Corning Glass Works, and Glaceries de Saint Roch of Belgium. In 1953 Saint Gobain purchased the interest of Glaceries de Saint Roch, and in 1955 Blue Ridge purchased the shares of its stock held by Corning thereby becoming a wholly-owned subsidiary of Saint Gobain. Blue Ridge is the second largest producer of rolled glass in the United States.

The merger of American Window Glass Company and Blue Ridge Glass Corporation represents the combination of two complementary lines of products. As a result, the new company will be competitively stronger than the two predecessor companies were as separate operations. However, the basic objective of the merger was to create a third full-line producer of flat glass products in the U. S. by the addition of a plate glass manufacturing facility. Preliminary engineering for the new plate glass plant is well advanced and extensive surveys have been made of suitable plant sites. As soon as financing arrangements are completed, construction will be started. It is expected that the new plant will cost in excess of $30 million and have a capacity of 40,000,000 square feet of plate glass annually. Such a capacity would give American-Saint Gobain around 5-10% of the total United States capacity to produce plate glass.

For the American Window Glass Company, the merger was the solution to a very serious problem. American's management felt the full potential of the company could not be attained unless it could enter the highly profitable plate glass market, but developing a method through which to penetrate this market was not easy.

In studying the problem, American concluded that it lacked the technical experience required to design, build, and operate a modern plate glass plant; and that its own capital structure was insufficient to finance the construction of the type of plant required. Therefore, management concluded that the solution lay in an affiliation with one of the existing plate glass companies. Any relationship with an American company was forbidden by the Flat Glass Consent Judgment of 1948. However, with Government approval, an affiliation with a foreign producer was possible.

Discussions and negotiations began in February 1956 with Saint Gobain. Approval of the merger was obtained from the United States and French Governments in February, 1958.

For Saint Gobain the merger has provided a means to make a major penetration of the United States market for glass products. The United States market is one of the largest in the world but Saint Gobain has had only a minor position in it. For American-Saint Gobain the merger insures a long term association with an organization that has as much if not more know-how in the glass industry than any other company in the world.

Capitalization and Finances

Giving effect to the merger, American-Saint Gobain's capitalization consists as follows on a pro forma basis:

First mortgage sinking fund $4\frac{3}{4}\%$ bonds due 1970	$3,000,000
Bank note due serially to 1965	950,000
5% cumulative preferred stock ($25 par)	163,425 shs.
Common stock ($7.50 par)	591,537 shs.

American-Saint Gobain enjoys a good financial position. On a pro forma basis current assets, including cash and Government securities of $1,795,000, totalled $7,438,000 and exceeded current liabilities of $1,642,000 by a ratio of 4.5-to-1. Net working capital amounted to $5,796,000. Asset values are also strong as the book value of the common stock computed on a pro forma basis amounts to $17.87 per share.

Insofar as the present company was only recently created by merger and will be even more changed by the addition of plate glass manufacturing facilities, operating figures for prior years are not particularly significant. However, pro forma earnings per share on the combined companies were $2.04 in 1955, $1.88 in 1956, and $.01 in 1957. Pending completion of the plate glass manufacturing facilities, earnings probably cannot be expected to exceed the levels of 1955 and 1956. Once the plate facilities are in operation a major improvement is indicated.

After the plate glass facilities are in operation, new records in sales and earnings are anticipated. American-Saint Gobain will have a sales potential of over $60 million made up of $22 million of plate glass, $30 million of sheet glass, and $10 million of rolled glass. Production costs should be favorable as the new plant will be the most modern in the world embodying a new process developed by Saint Gobain. This plant will be the first in this country to employ a cost-cutting, fully flexible, continuous twin polishing as well as twin grinding production line. The process to be used is currently being perfected in an Italian plant of Saint Gobain and is soon to be installed in France.

Overall profit margins are expected to be substantially greater than any reported by either of the predecessor companies. Allowing for a greatly increased sales potential and an improvement in profit margins, earnings on the American-Saint Gobain common stock could be several times the combined normal earning power of the two predecessor companies even allowing for the additional shares to be outstanding.

American-Saint Gobain's new facilities will come into production about the time that demand is expected to reach new highs. As Mr. Otto G. Schwenk, American-Saint Gobain's President has stated:

"Partly by planning and partly because of influences beyond our control, we feel that the completion of the new plant will coincide with the beginning of a period of the greatest demand for glass of all types that this industry has ever faced. Statisticians and economists are agreed that the population has already been born, is already in existence, which will create an unprecedented demand for homes, schools, commercial buildings of all types, and all the things that go into them, in the early 1960's. This, plus an architectural trend to use ever-increasing quantities of glass as a dominant construction material, literally sheathing buildings of all types, forecasts a market of unprecedented size and scope for our industry."

In my opinion American-Saint Gobain Corporation common stock affords unusually interesting long term appreciation possibilities. The company is going to be in a

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Resolving on a State Level Competitive Banking Problems

By GEORGE A. MOONEY*

Superintendent of Banks, State of New York

New York bank superintendent: (1) reviews current efforts to modernize branch, merger, and holding company provisions of state law; (2) warns New York must regain historical leadership or, unfortunately, find Congress taking over; (3) lectures savings bankers on getting away from "grandma" sentiment and on deciding quickly how much tax equality can be conceded commercial banks; and (4) strongly favors retention of each banking type of institution but asks them to know their direction and to evolve competitively. Mr. Mooney refers to legislative impasse and believes continuance of complex and opposingly controversial demands could result in jeopardizing New York as the world's financial center. States missing ingredient is banking industry approach rather than a conglomeration of special interests. Terms futile attempt to pass Financial Institutions Act and urges, instead, putting banking's "house in order" on a state — not Federal — level.

Almost immediately after my appointment in 1955, I was called upon to approve the biggest commercial bank merger in the history of banking. Because of the magnitude of this consolidation, my Department was subjected to the strongest pressure from those critics who charged that the proposal was self-serving, monopolistic, and worse!

George A. Mooney

We were not unaware, of course, of the perils of monopoly and we took heed. But we were also especially conscious of the significance of this merger development as an evidence that New York banking was changing radically; and that this development reflected the marked changes in the requirements of our economy, and the tremendous postwar expansion generally.

Believe me, at the time it would have been a comparatively popular matter for the new Superintendent, a Democrat, to have rejected this merger proposal. Instead, however, because we were convinced that the changes in the economy of our state had to be recognized and that all reasonable accommodations had to be provided to insure its continued growth, we did it the hard way. The Department's research staff, together with its veteran career Deputies, studied the proposal from top to bottom, and examined the reasons which prompted it and all of its implications from every aspect. When at last we became convinced, with factual evidence to support our view, that this merger was in the public interest, we unhesitatingly gave our approval. Remember, we Democrats are often accused of being blindly anti big business.

I can state flatly, however, that no consideration of size alone will stand in the way when public need and interest are served.

As part of all this, you will recall that early in 1955 I was summoned to appear before the Antitrust Subcommittee of the House of Representatives. In the course of the House hearing I presented in detail the merger policy which we had formulated for the State of New York.

All this is a matter of public record and I need only say now that we have approved or disapproved merger applications in accordance with the policy established in 1955. In brief, the policy holds that we are prepared to recognize that some mergers can be beneficial to the public either because they provide better service, or because they solve problems existing in individual banks. On the other hand, it holds that some proposed mergers could be harmful to the public and that when harmful factors are dominant, we will have no hesitancy in denying the merger application.

Thus far in my time as Superintendent, the Department has approved 53 mergers for commercial banks and one for savings banks. In addition, and by way of answer to those merger critics who argue that a merged bank is never replaced, the Department in 1957 granted the first new state charter to be given a commercial bank since the bank holiday. Needless to say, in view of the postwar merger trend and the precedent-breaking aspect of this approval, our action was not taken lightly.

I am happy to report now that our decision has since been proved a wise one and the success of the new institution is evidence of the practicality as well as the conservatism of the Banking Department's requirements. And I should like to note in passing that the terms and conditions which we laid down to safeguard the growing pains of this new bank are similar to those which we follow in considering your applications

Continued on page 30

*An address by Mr. Mooney before 65th annual convention of Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 1, 1958.

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"THE OVER-THE-COUNTER MARKET—WHERE ALL SECURITIES CAN BE TRADED AND MOST OF THEM ARE"

ARTICLE starting on the cover page, "The Over-the-Counter Market—Where All Securities Can Be Traded and Most of Them Are"—discusses the investment opportunities inherent in securities available only in the Over-the-Counter Market as exemplified in the tabulations showing the names of banks and companies which have paid consecutive cash dividends for 10 to 174 years (Table I, page 21) as well as those in the 5 to 10-year category (Table II, page 41).

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Observations . . .

By A. WILFRED MAY

IN DEFENSE OF THE STOCK DIVIDEND

The following communication from Benjamin Graham rebuts the views on the stock dividend held by Austin Barker, Anthony Gaubis and the writer, as recently published in this column. The justification of the practice was challenged here, as to its real utility to the company and the shareholder, and further on the ground of misconception concerning the practice on the part of the investor.

A Wilfred May

Mr. Graham is a leading authority on security analysis, author, and investment company manager; and Adjunct Professor of Finance at the University of Southern California.

DEAR MR. MAY:

You and I differ sharply on the possible utility of stock dividends. Assuming that we are both intelligent and knowledgeable in finance, this divergence probably means that one or both of us are placing too much emphasis on some aspects of the matter and neglecting others. Your position is more extreme than mine, since you apparently deny the practical value of each and every stock-dividend policy. In my view a stock-dividend policy can be positively harmful, or of dubious value, or of genuine usefulness—depending upon the particular case. The old North American Co. policy was certainly harmful, since it purported to give the stockholders periodic stock dividends worth far more than the currently reinvested earnings. Commonwealth Edison's new policy appears to me to be subject, in part at least, to the criticisms you have made of it. Certainly, it does not obviate the need of selling stock, if it is compared with the simple continuance of the $2 cash dividend. If it is considered as adopted in place of a substantial **increase** in the cash rate, then it would involve a saving of cash or of stock sales to the company.

Typical Case

Let me try to illustrate a typical case in which I find a stock-dividend policy preferable to other policies. Assume three companies, all with good earning power and growing, and all wishing to invest annually, via increased common-stock equity, a sum equal to the year's earnings. Company N takes the simplest course: it pays no dividend at all. Company C follows the more customary and popular policy: it pays a standard proportion of earnings in cash, but concurrently takes back that cash from the stockholders by selling them additional shares (e.g., A T & T, etc.). Company S gets the same result for itself as company C, but in a different way: it pays no cash dividend, but a periodic stock dividend equivalent to the stock sold by company C.

Now, the following questions re the three companies are in order:—

(1) Is it not true that stockholders of company C and company S end up each year in exactly the same position, if they exercise their rights or retain their stock dividends? (In each case they have no addition, net, to their cash, but they do have more shares of stock.) If not, why not? (I exclude the taxation question here.)

(2) Do you not assert, however, that the position of the company S stockholders is intrinsically identical with that of company N holders, who have received neither cash nor stock—since the S people have received only "meaningless pieces of paper"?

(3) On the other hand, do you not assert that the C holders, who receive substantial **cash** dividends, are in a different position from the N holders, who receive nothing?

(4) If you answer "yes" to (1), (2) and (3), are you not asserting that the S stockholders are in the same position, intrinsically, as those of **both** company C and company N—although the latter two groups are in different positions? Would not this be a logical impossibility?

It seems to me that the only way to escape this logical dilemma, and still deny the significance of the stock-dividend policy in this case, is by asserting that the stockholders of **all** companies with similar earning power and expansion policies are in an identical position, regardless of what dividends they do or do not pay. But that would be begging the whole question of the importance of a **suitable** dividend policy, since it would claim that the dividend made no difference at all.

In my opinion, the S stockholders are (a) in the same position as those of company C—except for the tax advantage of the S people, and (b) are in a different and better position than those of company N. If I am right, this would demonstrate the intrinsic utility of a stock-dividend policy **in the particular case here assumed**—at least as compared with a no-dividend policy.

Tax Feature

However, there is a tax feature which gives the S holders an advantage over those of company C. May I ask two further questions here:

(5) Is it not true that, under present laws, the S holders will pay no tax, while the C holders will pay full tax on the dividends received — although in other respects their cash and stock position would be identical? (Is it not true, also, that the S holder who sold his stock dividend would have a smaller tax to pay than the equivalent C holder who sold his rights?)

(6) On the matter of "nuisance," is it not true that, by and large, there is at least as much trouble involved — both for the company and for the several stockholders — in an offering of additional shares via rights (company C) as in an equivalent stock dividend (company S)?

My examples and related questions are confined to only a partial, but still quite important, sector of the stock-dividend field. My purpose here is to try to show that stock dividends are not always a snare for "the gullibility of the small investor" (Gaubis), but that they **can** serve a useful end. To define their field of utility, and the proper techniques of their application, would be another and more complicated task.

BENJAMIN GRAHAM

19 Ave Cap de Croix.
Nice-Cimiez
Sept. 27, 1958

NSTA Notes

NSTA EXPRESSES THANKS

Members of the National Security Traders Association attending the annual Convention at the Broadmoor in Colorado Springs, express their grateful thanks to the Bond Club of Denver for the "Bolo" ties presented to the gentlemen and opera glasses for the ladies.

All were most appreciative also of the beautiful corsages presented to the ladies by Samuel and David Magid of Hill, Thompson & Co., Inc., New York City.

NSTA AWARD TO EDWARD WELCH

An inscribed silver plate and a hi-fi set were presented to Mr. and Mrs. Edward Welch (Sincere and Company, Chicago), as an expression of the NSTA's appreciation for their wonderful work for the past 25 years in making arrangements for the Association's Conventions.

Edward H. Welch

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Nominating Committee of the Security Traders Association of New York will hold an open meeting at the Antlers Restaurant, 67 Wall Street, at 4:30 p.m. Monday, Oct. 13, to receive suggestions from the membership.

Members of the Nominating Committee are Nathan A. Krumholz, Siegel & Co., Chairman; Harry L. Arnold, Goldman, Sachs & Co.; George L. Collins, American Securities Corporation; Joseph C. Egan, Frank C. Masterson & Co.; Raymond C. Forbes, Shearson, Hammill & Co.; and Abraham Strauss (Alt.), Strauss, Ginberg & Co.

DALLAS SECURITY DEALERS ASSOCIATION

The Dallas Security Dealers Association will hold their 1958 annual outing Friday and Saturday, Oct. 17 and 18, at the Western Hills Hotel and the Ridglea Country Club. Cocktail party and dinner will be on Oct. 17, followed by an all-day outing on the 18th at the Country Club. Tariff for members is $7 for Friday evening, and $10 for Saturday. For guests tariff is $25 for both days.

General Chairman of the outing is J. Reis Bambenek of Dallas Union Securities Company. Norval Keith, Schneider, Bernet & Hickman, is in charge of reservations for guests. Henry Matthews, First Southwest Company, is in charge of a special feature.

Members may make reservations for the outing with John Davis, Republic National Bank; for the Golf Tournament with Allen L. Oliver, Jr., Sanders and Company.

FLORIDA SECURITY DEALERS ASSOCIATION

The Florida Security Dealers Association, which will hold its 1958 convention on Oct. 16, 17, 18, at the Lido Biltmore Club, Sarasota, have announced their two guest speakers will be Erwin H. Schell, Professor Emeritus, Massachusetts Institute of Technology, who has been in charge of the courses of Business and Engineering Administration and Henry S. Toland, Vice-President and Trust Officer of the Exchange National Bank in Tampa.

Professor Schell will speak at the Mutual Fund Seminar, Friday morning, Oct. 17, and Mr. Toland will speak at the luncheon that noon.

Advance registrations indicate a record attendance of over 200 and it is expected that among the guests will be Insurance and Securities Commissioner Larson, from Tallahassee, and possibly Secretary of State Richard Irwin, and Comptroller Green, as well as Danette Mayes, acting Securities Commissioner.

The convention has been arranged by a committee headed by Louis McClure of Pierce, Carrison, Wulburn, Tampa; E. D. Read of A. M. Kidder & Co., St. Petersburg; Clifford U. Sadler of Davidson-Vink-Sadler, St. Petersburg; William Adams, Adams Sloan & Co., Sarasota; and Henry M. Ufford, Calvin Bullock Ltd., Clearwater, Fla.

Joins Yates, Heitner

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — William M. Harlow is now with Yates, Heitner & Woods, Paul Brown Building, members of the New York and Midwest Stock Exchanges.

Now With Saunders Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Robert J. Akos is now with Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange.

Cooke Inv. in Hawaii

HONOLULU, Hawaii — Cooke Investment Company, Inc. is engaging in a securities business from offices here; mail address is P. O. Box 2041. Anson H. Hines is a principal of the firm.

Maracaibo Branch

Fahnestock & Co., members of the New York Stock Exchange, have opened a new office in Maracaibo, Venezuela, under the management of Alfred I. Scott.

The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

Last week most business indicators showed increases such as steel output, electric kilowatt production, carloadings, petroleum output, lumber shipments and paperboard production.

In the automotive industry strikes and parts shortages held 1959 model production from rising the past week. This week only a small number of workers of General Motors Corp. reported for work on Monday last as bargaining continued on local issues at General Motors plants across the nation. A general contract settlement was reached on Thursday night a week ago by General Motors and the United Auto Workers Union.

On the steel front this week the news continued to be encouraging with the report by "Steel" magazine on Monday last that steel production will reach 25,000,000 ingot tons in the fourth quarter, easily making it the best quarter of the year. Its forecast, it pointed out, is based on the rising tide of incoming orders at the steel mills.

Oil imports rose to a record high last week, the American Petroleum Institute reports. There was a fractional gain from the prior week in petroleum output which resulted in a year-to-year increase of 4%. Although stocks of gasoline rose seasonally, they were down from a year ago.

Following a six-month decline, consumer credit outstanding rose about $30,000,000 to $33,300,000,000 in August, after adjustment for seasonal factors, according to the Federal Reserve Board. There was a rise for the second consecutive month in new credit extended.

The employment situation in the period ended Sept. 20 continued to improve with the number of workers drawing unemployment compensation dropping 83,000 to 1,870,000, the tenth successive weekly decline, the United States Department of Labor disclosed.

The total decline in the 10 weeks, it added, was 754,500 workers. In the similar period last year, insured unemployment fell by 174,900.

The latest week's total, the lowest since late September, represented 4.4% of workers eligible for compensation, compared with 4.6% the previous week when 1,953,000 workers were drawing compensation. A year ago, 1,181,900 workers, or 2.9% of those eligible, claimed compensation benefits. This year's latest decline was widespread, the department noted, with 42 states reporting fewer claims. Much of the reduction was due to recalls at auto plants and to improvements in seasonal industries.

New claims for unemployment compensation, indicating new layoffs, in the week ended Sept. 27 totaled 275,400, down 11,200 from the previous week. Initial claims in the like week last year dropped 9,700 to 241,500.

The condition of factory employment during August, the Labor Department pointed out, showed that the hiring rate exceeded the layoff rate by 21 per 1,000 workers at a time when the layoff rate usually increases.

It said the rates indicated a "continued modest improvement in the job market in manufacturing." Instead of rising, the layoff rate dropped to 16 from 20 per 1,000 employes. The hiring rate rose from 33 to 37, which the department stated, was about normal for the period.

The layoff decline occurred in the durable goods industries, with the largest drops in transportation equipment and in primary and fabricated metals. But in the machinery, electrical machinery and furniture industries, the hiring rate rose less than usual.

In the steel industry this week some steel buyers are hedging against a further tightening of the market, "The Iron Age," national metalworking weekly yesterday.

It declared that growing tightness in supplies of flat-rolled products—sheets, strip and galvanized sheets—is forcing users to place their orders farther ahead, "just in case."

The metalworking magazine indicated there is little chance of a genuine shortage of any steel products, but it added there could be temporary pinches in supply until the mills adjust their schedules to momentary surges in demand.

Meanwhile, the mills for the first time are beginning to see clear sailing ahead for the balance of the year. The pickup in demand has been a pleasant surprise considering the relative lethargy of the automotive, railroad and oil and gas markets.

"The hand-to-mouth buying policy of some months back is no longer the smart thing to do," the trade weekly reports. Many old-time customers of some companies this week are already running into trouble trying to get the steel they want when they want it, it adds.

Many users are now going farther afield than was the case a few weeks ago. This means steel output will be more uniform among products, companies and steel-producing districts.

This trade magazine predicted that the steel operating rate will hit 75% of capacity or more before November, adding that the average for the fourth quarter could easily be 75% despite an expected leveling off in December. The current operating rate is already around 70%.

The metalworking weekly states that both steel producers and steel buyers are watching the automotive market closely. If the new models go over with the public, Detroit could step into the market in a much bigger way than it has to date. This would bring about more jockeying for position on mill order books by all steel users.

The mills are looking toward the railroads and the oil and gas industry as aces in the hole for the first half of next year. Neither of these major steel users has been buying anything of consequence and both are normally major factors in the market.

Coupled with this is the expectation that there will be a

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The Stock Market Picture and The Intelligent Investor

By GERALD M. LOEB*

Partner, E. F. Hutton & Company, New York City

Mr. Loeb offers an optimistic appraisal of the stock market and recommends selections should be made—not blindly—from the tables of new highs, active leaders and those issues displaying the largest plus signs. The well known market expert declares "today the trend is up and there is nothing to do but to follow it and cash in on it . . . early enough and make enough profit so that when the change finally occurs the loss is not more than 15% or 20% of the profit made." Viewing the general economic outlook, he opines business is somewhat better than earlier in the year and that inflation is inevitable as ever. The broker observes that a large change in points is quite modest percentage-wise and the matter of price might be more realistically viewed if adjusted for inflation. Finds rails are doing well; and discerns recovery prospects in base metals, opportunities in electronics, motion picture group and agricultural implements.

The current stock market has been described as a paradox. Its action and price level have been labelled as inexplicable. Nevertheless, it continues active and strong.

G. M. Loeb

To look back a ways, I think the period from the summer of 1955 to the summer of 1957 was clearly a time of distribution. Stocks passed from strong hands to weak. Along with this the business situation lost its vitality. Thus the decline during 1957 was not especially a surprise. Many stocks began declining as far back as 1955, and others made their highs at various times during 1955, 1956 and 1957. When the first bottom was reached in October 1957, there was nothing tangible at the time to indicate the fact. It is true that in December, with the ability to judge the relative impact of tax selling, some bullish technical signs became visible. The fact is, that I doubt at the time, if anyone could really have been sure that the situation in business and the market could be corrected short of several years. There certainly was a very great danger that 1958 would resemble 1930. In other words, stock market-wise, a strong but false rally early in the year with stocks closing at the bottom. Business-wise, persistent deterioration.

I have always been in constant touch with various types of investors over the years, and in a general way the more successful they were, and consequently the bigger their investment capital, the more cautious I found them.

One strong private capital group I know, early this year was classifying companies on the basis of which would go into receivership first.

The change came in April. We know now in retrospect that the change came in business, but it was not apparent. The situation in the market, however, was different. A student of technical influences and price action, began to see the signs of a bull market at that time. However, when he tried to check his estimates with corporation officials, he had his enthusiasm dampened.

Business Is Better: Inflation Is Inevitable

Of course, as the market gathered momentum an increasing number of people found reasons for its strength. Today, we know business is somewhat better, and we think further inflation seems more inevitable than ever.

It is true that broadly speaking the market's current anticipations are further from actualities and realization than has been the case in many years. This is an inherent current risk that we can not deny.

At the same time, if we break the market down into its parts, we find a great deal of discrimination among various groups and issues. There are a good many stocks that have advanced a great deal, and keep making new highs but there are also a good many that are going sidewise, and quite a few that stick pretty close to their 1957-58 lows.

It should be remembered that price and trend reflect a great many factors. The factor which today seems most out of line is the direct relationship of current prices to current earnings. The importance of this factor is that the wider the discrepancy between capitalized current earnings and capitalized future earnings, and the greater the length of time estimated to be required to close the gap, the higher the risk.

What Is True Value?

It should also be remembered that markets by their very nature, persistently and recurrently undervalue and overvalue. It is only occasionally that they reflect true values, and even then I doubt if anyone could really find a basis for a true value. In other words, the phrase "true value" itself is more of an expression than a fact.

For example, we all know that stocks discount future expectations. These expectations can vary a good deal. They can be partly realized, or fully realized, or perhaps the expectations themselves can be underestimated.

Then, there is a great and varying difference in security valuation. There is nothing absolute about a price earnings ratio. I think right now some of the strength in the market reflects a changing valuation for some groups.

Discusses Points and Price

The market should be looked upon as a gigantic seesaw. The fulcrum, however, is not in the center. It is way over to one side. Changes in earnings are on the short side. Changes in market value are on the long side. Thus, if a price earnings ratio is 15 to 1, a change of $1 on the earnings or short side of the seesaw, makes a possible change of $15 on the price, or long side of the seesaw. Now, add to this the possibility that valuations will change with earnings, and you magnify this movement more.

I bring up these points, because there seems to be too much of a tendency to be excited about wide price changes. Another factor as far as the Averages are concerned, is that they have not been split. Hence, as people tend to talk about the Averages in points, rather than in percentages, what seems like a large change in points is quite modest percentage-wise.

As far as price is concerned, whether we like it or not we are not dealing with hard dollars. It costs 15c to ride on the subway, where it used to cost 5c. So maybe we ought to divide the Dow Averages by 3 to find where they are in relation to hard dollars.

I think in the stock market, one obviously has to make hay while the sun shines. It seems that the real and genuine basis for changes in stock prices develops quietly and without any fanfare. Then we get into a bull market and these changes are capitalized. Likewise, corporation deterioration often occurs in a bull period, and while the market is strong, the business situation receives little attention. But when the market openly declines, then these

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*An address by Mr. Loeb before the Investment Association of New York, New York City, Oct. 1, 1958.

Standing Together as Bankers with The Entire Banking Community

By KILGORE MACFARLANE, JR.*

President, The Savings Banks Association of the State of New York
President, Buffalo Savings Bank, Buffalo, N. Y.

N. Y. savings banks' spokesman suggests how the tax issue raised at recent ABA convention "can be solved"; avers State Banking Law must be revised to permit all types of banking institutions; and urges public be educated about savings banks and need for general thrift to help make possible great new advances in science and technology just ahead. Mr. Macfarlane advises bad debt reserves be increased for all types of commercial banks rather than tear down the reserve now permitted to mutual savings banks. He asks savings bankers to use "the hard sell" in merchandising savings.

We have had a good year. The savings banks which make up our Association have grown in deposits, in earnings, and in dividends paid to our depositors. Only a week ago, at Chicago, our colleagues in the banking fraternity affirmed our role and our rightful place in the broad banking picture.

K. Macfarlane, Jr.

We are not here to congratulate ourselves on success. We are here to take a serious look at ourselves—to weigh our present status—to set our course for the future.

That course must and will be a direct, forthright and determined one.

We must leave behind the recent unpleasantness — unprecedented in the history of our industry — unseemly — and inappropriate to banking everywhere.

Asks Differences Be Settled

As president of your State Association, I sound the keynote of this Convention when *I call upon the entire banking industry of this state to settle its differences—real or imagined—and to work together to gain a truly modern State Banking Law.*

We *must* have revisions of the State Banking Law to permit *all* types of banking institutions to better serve the people of our great State of New York.

All banking *must* expand, if it is to meet *all* the banking needs of our state's growing population.

Let us remember that it was we—the savings banks—who last year took the lead in proposing that both types of banks, commercial banks and savings banks, join together to advance the cause of all banking.

Now, once again, let us affirm our belief in this course and our determination to *follow it through.*

It is to be hoped—on all sides—that the commercial banks will give their full and wholehearted support in resolving these industry problems.

It is obvious today that the people of our state want and need improved banking services — not from any one segment of the industry, but from the *whole* banking business.

Legislative Action Demanded

We have the demand. We have the resources to meet the demand. What is lacking is the legislation.

Studies have been made. There's no need for further studies—and no time either. *What is needed now is concerted action.*

A part of that concerted action is an aggressive, carefully planned and continuing program of public relations. As we work with the rest of the banking community, *we must never relax in telling our own story—the savings banks story—to the public.*

As never before we require public awareness, understanding and appreciation of the needs we serve and the services we perform for all of the people of New York State.

Public Education Stressed

We must concentrate on telling our story to the public—through the press and the other media of communications.

We must also make certain — absolutely certain — that bankers *throughout the country* truly understand the tremendous role we play in the economies of the nation, our state and our local communities.

Let's make sure that *every* banker, wherever he lives in these 49 states, understands how we savings banks differ from—note that I said differ *from*, not differ *with*—how we differ from other types of banks in the nature of our operations, our services to the public and our needs.

Let's make sure the banking community understands that these vital differences are what enable savings banks to lead in making thrift safe and profitable for millions of people, and home ownership possible for millions more.

I say we require public awareness *as never before*—because the recent unseemly disturbances within the banking industry represent only a tiny part of the situation we face as savings bankers in a changing America and a changing world.

Spectre of Inflation

We face, for one thing, the spectre of inflation — a spectre that once again threatens to go on the prowl throughout the land.

Costs are going up. Some remember when porterhouse steak was 45 cents a pound. That was not in the dim and distant past. It was in 1936.

Railway and bus fares are rising. Hospitalization costs are increasing. Auto insurance is going up. Rents and utilities are on the rise. Recreation costs are soaring. Taxes, of course, are up.

But not much, some say? True—the average price rise is only 2 or 3% a year. But that means *doubling* costs within a generation. The dollar earned today will buy only 82 cents' worth in 1968, at this rate.

Whose job, whose duty, is it to *do* something about inflation? We all know the answer — it's everybody's job. Government, business, industry, labor, agriculture — all of us. But so often, what's everybody's job turns out to be nobody's job.

Therefore, I want to add that it is the job of us savings bankers in particular. We should be in the front ranks of the fight against inflation. It is our obligation. Our banks were founded to encourage thrift. And thrift is the way to beat inflation.

Certainly we face obstacles. Massive and often discouraging obstacles. The need to save—in people's minds—is greatly diminished.

With the advent of Social Security — private pension plans — insurance coverage in annuities and similar types of policies — investment in U. S. bonds and in corporate stocks—with the advent of all these, and in a nation increasingly devoted to playing the credit game (do it now and pay it later, whatever it may be)—we savings banks face a changing situation in the competitive race for the saver's dollar.

Stresses Thrift

In the minds of many people, thrift is obsolete. We must, if we are to survive in the world of today—and tomorrow—we must change the minds of these people.

We cannot afford — the nation cannot afford — to have thrift downgraded. Not at the very time when we stand at the very threshold of great new advances in science and technology which will require billions in capital funds.

The world of tomorrow — the world that lies just a step ahead of us—will be the most dynamic, exciting era of history. Science is bringing us new products, whole new industries. This country is growing every minute. We are in a period of continuing high birth rate, with new nonfarm families forming at a projected rate of 1,000,000 a year.

Where will the money come from to finance all this? New homes, new industries, new products, new services?

From savings — from people's savings. Savings, and savings alone, do the job of making possible the equipment that in turn

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*An address by Mr. Macfarlane before the 65th Annual Convention of the Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 1, 1958.

From Washington Ahead of the News

By CARLISLE BARGERON

Mr. Eisenhower has got a new word in his campaign vocabulary which will be pleasing to the right wing of the party and may do some good, although it is doubtful. It is the word "moderate." He is to campaign for a "moderate" government instead of modern Republicanism.

Carlisle Bargeron

This will tend to bring the party back together and is a valid appeal. If moderate government was ever threatened in this country it is threatened now. It is a term all Republicans can get together on.

It is understandable, too, that the President is increasing his activity in the campaign. He will be defending his Administration which is under attack. For the first time since he came to office the Democrats are attacking him. They are not mentioning his name but they are attacking his Administration. He has a lot at stake. Coming into office on a landslide, and getting a second term the same way, he is now faced with being discredited, wholly so, in the last two years of his term.

The decision to get up and fight must have been his own, together with the crowd around him. Because it is not within this writer's knowledge that any candidate has called for help. They all need help but it has not occurred to them that he can be of any help. He endorsed Senator Payne of Maine but the latter went down to defeat. He barely got a Republican Congress when he ran the first time and, although winning hands down himself the second time, he lost the Congress.

So his effectiveness this time remains questionable, to say the least.

On one score particularly he is weak. I suppose that never in history has an Administration been riding so high as this one was in the early part of last year and threw it away. In an effort to control what he called "inflation" he threw the country into a tailspin. The Federal Reserve Board, with his sympathy, tightened up on money and he went on the air with appeals to people to buy less. Military expenditures were cut drastically. In no time at all millions were thrown out of work.

The result was that he had to increase spending this year to the highest peacetime budget in history and a deficit of $12 billion is anticipated for this year. The drop came with such suddenness that there was no warning. The recession is behind us now but not by any means have we returned to full employment. Some 5,000,000 people are still out of work, and the cost of living until about a month ago continued upwards. It will undoubtedly constitute a record for a long time that prices did not come down with the recession.

It is to his credit that he would have wanted to cut down on military expenditures. There is the question of whether it should have been attempted on such a drastic scale. One possible explanation is found in the fact that the Air Force had exceeded its budget by $4 billion. This is said to have incensed him so that he wanted to fire the general who was responsible. The Air Force is right back now spending more than ever before.

One thing the recession taught us is that we are in a military economy and can't get away from it without an economic upset. This is understandable when you consider that aircraft and related industries are the second or third largest employers in the country.

In the last year Mr. Eisenhower's devotion to golf hasn't helped him any. As long as things were going good the sneers of the Democrats were of no avail. The country felt that the President needed relaxation. But when millions became unemployed the resentment against his seeming always to be on the golf course became widespread. They would read in the newspapers every day about another plant closing down and in the same paper there would be an item about his spending the afternoon on the golf course. The impression grew that he was neglecting his job and then, too, people hate to see a man enjoying himself when they are suffering so much grief.

With Daniel Reeves

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Donald E. Duncan is now affiliated with Daniel Reeves & Co., 398 South Beverly Drive, members of the New York and Pacific Coast Stock Exchanges.

The Outlook for Petroleum

By J. G. JIMENEZ*
Vice-President, Tidewater Oil Co.

The gloom in the oil industry is lifting since the past few months has seen domestic pick up. In pointing this out, the Tidewater executive states there is reason to believe that we will experience gains each month for the rest of this year so that the year will register a ½% gain over 1957. Looking ahead to next year, Mr. Jimenez anticipates a 4 to 5% increase in domestic oil demand, a 7-8% rise in free world demand—exclusive of the U.S.A. For the long range he envisions need to supply one-third more barrels of oil and for capital investment spending of $77 billion in U.S.A.—150% of industry's current gross fixed assets—in next decade. Cautions this does not mean a seller's market at all and stresses necessity for expenditure control and reasonable profits.

To ask an oil man, in these hectic days, to have a forecast of market conditions in 1959 ready by the middle of September, 1958, is certainly optimistic. But to have him give the outlook for the **year ahead** when he is having trouble keeping up with what is going on today, is asking him to be a combination fortune teller, soothsayer, oracle, prophet, clairvoyant, and even a witch doctor.

J. G. Jimenez

I assure you, I am none of those and am far from being an expert on what the oil business can expect in 1959. As a matter of fact, I've disliked being classified as an expert in anything since I was told the definition of an expert: "X" is the unknown quantity and "spurt" is a drip under pressure.

Yet, maybe this is a fitting description. I'm surely dealing with an unknown quantity today and certainly that places me under pressure! ! !

Basic Outlook Elements

In viewing the outlook for 1959 as it applies to the petroleum industry, we should consider its basic elements: **Demand** and **Supply**, with resultant effects on earnings.

You will note I put Demand first. Demand is basic to sales.

Now, let's look at some facts in the oil business today.

The first six months of this year have been gloomy for the oil industry, with oil companies showing a sharp drop in earnings, averaging 30 to 40% as compared with the first half of 1957—this in spite of a record high volume of domestic sales!

This decline in net income, of course, partially reflects current recessionary conditions and other additional adverse factors illustrated by:

High inventories and consequent low prices.

Slackened demand for petroleum products in the first half.

Drastically reduced domestic crude oil production. For example, Texas was restricted to 56 producing days in the first half of 1958 as compared to 96 days in the same period for 1957.

Also, recent Federal Government restrictions on imports of foreign crude oil and unfinished products and regulatory measures and delays affecting the price of natural gas have had a serious effect.

The decrease becomes more pronounced by the fact that the first half results are compared with the period in 1957 when the demand for crude oil and products experienced an abnormal increase as a result of the closing of the Suez Canal. During this crisis, our domestic producers were called upon to alleviate the threatened shortages of petroleum energy in most of the Free World — particularly Europe. An outstanding job was performed of supplying needed oil. Originally, however, it was estimated that flow of crude from the Middle East via the Suez would take longer to restore to normal than it actually did. As a result, domestic production and refinery runs were maintained at an abnormal level and created surpluses which could not be absorbed by normal usage in this hemisphere.

Liquidation of these surpluses resulted in price disturbances and a deterioration of our markets during the past year to the lowest price level on gasolines and distillates since 1950.

In the face of these declining prices, we — as you — have been confronted with increased costs of:

Labor
Employee Benefits
Materials
Construction
Transportation

The result has been that the cost-price squeeze has become extremely severe in our industry.

Brighter Outlook Ahead

But the gloom, fortunately, is lifting, the surpluses liquidating, and the oil industry — just as business in general — seems to have weathered the declining phase of the recession and overall activity in the past few months has increased, signalling, we hope, the end of the decline.

In the oil industry, the past few months has seen domestic demand pick up. And there is reason to believe that we will experience gains each month for the rest of this year. In fact, despite a poor first six months, domestic petroleum demand for the entire year 1958 should record a 1 to 2% increase over 1957. While this compares unfavorably with an average annual increase for the five-year period 1952-1957 of 4%, there is reason for optimism for oil in 1959.

We are currently estimating that 1959 will show a gain of 4 to 5% in the domestic demand for oil products. In addition, the free world demand — exclusive of the United States, is expected to increase 7 to 8%.

Some of the other bright spots are:

Underlying Factors

Since the extremely low prices reached in February, 1958, petroleum prices at all levels—retail and wholesale—have recently advanced.

The usual sharp increase in seasonal demand for domestic heating oil, which we experience during the winter months, will be commencing next month.

We can expect a 4% increase next year in motor vehicle registrations which will contribute to an increased domestic demand for gasoline of 3 to 4%. The expected increase in population in this country to 177 million next year — or 1.7% — will add that many more consumers of oil products, causing folks to turn that thermostat up just a bit higher to keep the little newcomers warm!

Of course, increased industrial production—expected to be about 6% — should further assure an increased demand for fuels and lubricants and cause our giant refineries to increase their crude oil runs 5 to 6% to keep pace with demand and maintain adequate stock levels. This will be taken in stride as refinery capacity is in excess of requirements.

For the next several years, at least, the oil industry will be kept mighty busy supplying the energy to meet the substantial growth expected in this country, whether it touches farm, industry, or individual needs.

Long Range Considerations

We are told that our nation's population will be increased another 18 million by 1965; 14 million more motor vehicles will be on the road; 12 million more homes will be needing fuel oil or natural gas, and as much as a 33% increase in industrial activity will be received by 1963.

These few examples alone indicate that oil requirements are going to go up substantially. In fact, if the demand materializes, the industry will have to come up with another 3 million barrels of oil a day, an increase of ⅓ over our present activity.

In the next decade it is estimated that the oil industry will make some $77 billion in capital expenditures in the United States. This is more than 150% as much as the industry's current gross fixed assets. It's a fantastic sum, and it underlines, more than anything else, why the industry must continue to earn reasonable profits so that its financial structure will be strong enough and flexible enough to accomplish these objectives.

The facts I've given you are not only indicative of a healthier business climate in 1959 but also in the years ahead. However, I don't want to leave the opinion that we are approaching a seller's market and that there is an easy path for any organization to obtain its share of the market at a profit.

I am confident that in 1959, and for several years thereafter — barring unusual international crises or abnormal fluctuations in the domestic economy—it will be a case of "hard sell" and a tight control of expenditures in order to provide our stockholders with a fair return on their investments.

I am also confident that a financially sound industry and one that is free and competitive will be able to carry on the search for oil, to assure adequate supplies, and to underwrite the research and development that will bring about new and better products and processes for the demands of tomorrow.

*An address by Mr. Jimenez before the National Industrial Conference Board's Sixth Marketing Conference, New York City.

Cushman McGee Chrn. Of IBA N. Y. Group

Cushman McGee, partner of R. W. Pressprich & Co., was elected chairman of the New York Group, Investment Bankers Association of America, at the 38th annual dinner meeting held at the Waldorf - Astoria Hotel. Mr. McGee succeeds Francis A. Cannon, Vice-President and a director of The First Boston Corporation, who will serve one year ex-officio on the executive committee.

Edward Glassmeyer, Vice-President of Blyth & Co., Inc., was elected vice-chairman of the group, and A. Halsey Cook, Vice-President of the First National City Bank of New York, was named secretary-treasurer.

Elected to serve on the group's executive committee for three-year terms were: J. Howard Carlson of Carl M. Loeb, Rhoades & Co. and W. Neal Fulkerson, Jr. of Bankers Trust Company.

Dealer-Broker Investment Recommendations & Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Atomic Letter No. 41—Report on possible role of lithium in a thermo-nuclear fusion device, etc.—Atomic Development Mutual Fund Inc., 1033 30th Street, N. W., Washington 7, D. C.

Bank Stocks—Discussion in October Investment Letter—J. R. Williston & Beane, 115 Broadway, New York 6, N. Y.

Burnham View—Monthly investment letter—Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available is current **Foreign Letter.**

Capital Goods Needs—Study—David L. Babson and Co., Inc., 89 Broad Street, Boston 10, Mass.

Conversion Loan of 1958—Second of two articles—E. M. Saunders Limited, 55 Yonge Street, Toronto 1, Canada.

Fire & Casualty Insurance Companies—Bulletin—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a bulletin on **Life Insurance Companies.**

Impact of Institutionalization on Investment Policy—Discussion—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Inflation—Comparison of handling of inflationary threat by England and the United States—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Japanese Stocks—Current information—Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

New York City Banks—Comparative figures on ten largest banks—Bankers Trust Company, Bond Department, 16 Wall Street, New York 15, N. Y.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 19-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Real Estate Stock Index—Comparative figures—Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y.

Sales Finance Companies—Survey with particular reference to **Associates Investment, C. I. T. Financial, Commercial Credit, General Finance, Walter E. Heller** and **Pacific Finance**—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y. Also available is a report on **Midland Ross Corporation.**

Three Stocks for Appreciation—Data on **Vanadium Corporation of America, Pittsburgh Metallurgical Company** and **Wallace and Tiernan**—Bache & Co., 36 Wall Street, New York 5, N. Y.

Traders Graphic—Over the counter stock charges—including analytical articles on 24 interesting issues — $9 per issue; one year subscription (4 quarterly editions and 12 monthly supplements) $50—Trial subscription to October and November issues of Monthly Supplement; $1—O-T-C Publishing Company, 14-C Elm Street, Morristown, N. J.

U. S. Treasury Issues—Table of comparative yields—Aubrey G. Lanston & Co. Inc., 20 Broad Street, New York 5, N. Y.

* * *

Amerada Petroleum—Data—Oppenheimer, Vanden Broeck & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on **General Electric Co., General Motors Corp., General Precision Equipment Corp., General Railway Signal Co.** and **Southern Natural Gas Co.**

American Airlines Inc.—Review—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

American Express Co.—Memorandum—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

American Motors Corp.—Memorandum—Oppenheimer & Co., 25 Broad Street, New York 4, N. Y.

Avien, Inc.—Report—George, O'Neill & Co., Inc., 30 Broad Street, New York 4, N. Y. Also available is a report on **Billups Eastern Petroleum Co.**

Bendix Aviation—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Bridgeport Brass—Data—du Pont, Homsey & Co., 31 Milk Street, Boston 9, Mass. Also in the same circular are data on **Great Northern Paper, Texas Company** and **West Kentucky Coal.**

Brooklyn Union Gas Company—Analysis—Newburger, Loeb & Co., 15 Broad Street, New York 5, N. Y.

Ceco Steel Products Corporation—Report—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on **Time Incorporated.**

Clark Equipment Company—Analysis—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Colleges of State of Texas Constitutional Tax Bonds—Discussion in October Bond Letter—Bond Department, The First National Bank in Dallas, 1401 Main Street, Dallas 2, Texas.

Dome Petroleum Limited — Analysis—Annett & Co., 335 Bay Street, Toronto 1, Ont., Canada.

R. R. Donnelley & Sons Company—Report—The Milwaukee Co., 207 East Michigan Street, Milwaukee 2, Wis. Also available are reports on **Bank of America, Shulton, Inc., Weyerhaeuser Timber Co., Phillips Lam** and **Royal Dutch Petroleum.**

Falconbridge Nickel Mines Ltd.—Memorandum—Goodbody & Co., 115 Broadway, New York 6, N. Y.

Flintkote—Comprehensive analysis—Stanley Heller & Co., 30 Pine Street, New York 5, N. Y.

Franklin Life Insurance Company—**Report**—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available is a report on **H. I. Thomson Fiber Glass Co.**

Frito Co.—Memorandum—Dittmar & Co., 201 North St. Marys Street, San Antonio 5, Texas.

Gulf Coast Leaseholds, Inc.—Report—Leason & Co., Inc., 39 South La Salle Street, Chicago 3, Ill. Also available are reports on **Leece Neville Co., Longren Aircraft Co., Topp Industries, Craig Systems, Yuba Consolidated** and **Husky Oil of Wyoming.**

Hecht Company—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are analyses of **General Telephone Corp., International Harvester, Philip Morris, Inc.,** and **Anderson Prichard Oil Corp.**

International Mining Corporation—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a review of **ACF Wrigley Stores.**

Kalamazoo Vegetable Parchment Company — Analysis—William Blair & Co., 135 South La Salle Street, Chicago 3, Ill.

Kayser Roth Corp.—Memorandum—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Kern County Land Co.—Analysis—Dean, Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a report on **Signal Oil & Gas Co.** and **Hancock Oil Co.**

Morrison Knudsen Company, Inc.—Bulletin—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

National Vulcanized Fibre Company—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Argo Oil Corp.** and the current issue of the "Market Review" with suggested portfolios in various categories.

Nippon Gas Chemical Industries—Analysis in current issue of "Monthly Stock Digest"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also in the same Digest is an analysis of the current Japanese economic situation.

Raytheon Manufacturing Company — Analysis — Baker, Weeks & Co., 1 Wall Street, New York 5, N. Y.

Salem-Brosius, Inc.—Analysis—Blair & Co., Inc., 20 Broad Street, New York 5, N. Y.

Socony Mobil Oil Company—Review—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Combustion Engineering**

Sterling Drug, Inc.—Analysis—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

Studebaker Packard vs. Botany Mills—Comparative report—Lerner & Co., 10 Post Office Square, Boston 9, Mass.

Union Pacific—Data—Herbert E. Stern & Co., 52 Wall Street, New York 5, N. Y. Also available in the same circular are data on **United Merchants and Manufacturers** and **Dan River Mills.**

Williston Basin Oil Field—Data—William F. Ferris & Co., 522 Fifth Avenue, New York 36, N. Y.

COMING EVENTS

In Investment Field

Oct. 9, 1958 (New York City)
Commodity Exchange Silver Anniversary Dinner at the Hotel Astor.

Oct. 16-18, 1958 (Sarasota, Fla.)
Florida Security Dealers Association annual convention at the Lido Biltmore Club.

Oct. 25, 1958 (New York City)
Security Traders Association of New York annual cocktail party and dinner dance at the Hotel Pierre.

Nov. 7-8, 1958 (Chicago, Ill.)
National Association of Investment Clubs 8th annual convention at the Hotel Sherman.

Nov. 10, 1958 (New York City)
Security Traders Association of New York Annual Beefsteak Party at the Antlers Restaurant.

Nov. 30-Dec. 5, 1958 (Miami Beach, Fla.)
Investment Bankers Association of America annual convention at the Americana Hotel.

Dec. 10, 1958 (New York City)
Investment Association of New York annual dinner at the Waldorf Astoria.

April 1-3, 1959 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America annual meeting at the Hilton Hotel.

Nov. 2-5, 1959 (Boca Raton, Fla.)
National Security Traders Association Annual Convention at the Boca Raton Club.

Walter Meislohn With Securities Trading Corp.

JERSEY CITY, N. J.—Walter E. Meislohn has joined Securities Trading Corp., One Exchange Place, as Manager of Sales Department. He was formerly with Bache & Co., New York City, for many years. Mr. Meislohn, will represent Securities Trading in Metropolitan New Jersey as well as in the New York area.

McLeod, Young, Weir New York Office

McLeod, Young, Weir, Incorporated, dealers in Canadian securities, announce the opening of a new office at 15 Broad Street, New York City, under the direction of George C. MacDonald, President.

Joins J. Barth

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—John C. Coleman has become connected with J. Barth & Co., 404 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges.

L. A. Huey Co. Adds

(Special to The Financial Chronicle)

DENVER, Colo.—Walker Carpenter, Samuel M. Diamond, Edward D. Garber, Helen Kilgore, and Bobbe P. Kurtz have been added to the staff of L. A. Huey Co., U. S. National Bank Building.

H. B. Thompson Opens

SHREVEPORT, La.—Harold B. Thompson is conducting a securities business from offices at 3109 Alexander.

Joins Kennedy-Peterson

(Special to The Financial Chronicle)

HARTFORD, Conn.—Wallace I. Frosch has become affiliated with Kennedy-Peterson, Inc., 75 Pearl Street. He was previously with Coburn & Middlebrook Inc.

Coburn, Middlebrook Adds

(Special to The Financial Chronicle)

HARTFORD, Conn.—Sydney M. Libby and William H. Tirkot have been added to the staff of Coburn & Middlebrook, Incorporated, 100 Trumbull Street.

Joins Denault Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—C. Joseph Mitchell is now with Denault & Co., Russ Building. He was in the past with Sutro & Co.

Big Ryder on the Road

By DR. IRA U. COBLEIGH
Enterprise Economist

An appraisal of the expansion and profitability of a trucking enterprise that has displayed remarkable growth and will gross over $50 million in 1958—Ryder System, Inc.

From 1869 to 1929 talk about investments in land transportation was confined preponderantly to railroad securities — with secondary conversation, beginning in the middle twenties, about the streetcar named expire and its replacement, in due course, by passenger buses. But nobody paid much attention to trucks; and few were bold enough to imagine that long haul trucking might one day create fierce competition for railway lines; and that trucking corporations would attain great stature, with their equities eagerly sought by sophisticated investors.


Ira U. Cobleigh

But why roll back the page of history? Trucks are here to stay. There are 10 million of them on the road today and, for 25,000 communities in the United States, they provide the only form of freight transportation. The long haul truck lines started slowly, mostly with small individual proprietorships, delayed at first by the cost of rolling equipment, and the difficulty of financing same; by the narrow overcrowded intercity arteries; by slow public acceptance; by relatively small capacity of trucks; incomplete insurance coverage; and by the power and prestige of the railroads in respect to solicitation and retention of customer patronage—especially big customers.

Today, however, with super highways galore, king-size truck trailer units chew up the intercity miles at high speed, and the business has increasingly become concentrated among big interstate motor carriers doing a large scale sectional and, in some instances, even a national business. Among these sizable and burgeoning long-haulers is the company selected for review today—Ryder System, Inc.

It all started with a second hand truck owned, and a few hundred dollars borrowed, by one James A. Ryder, 24 years ago. At the time, this gentleman, now Board Chairman and President, was only 20 years old. For the first 18 years the Ryder enterprise was confined to the truck rental business; so much so that today Ryder System, Inc. is the second largest truck leasing company in America. In 1952 Ryder System purchased the Great Southern Trucking Company of Jacksonville, Fla. and thus now combines truck rentals with common carrier over-the-road operations, ranking ninth largest in the country. All of which makes Ryder System, Inc. (mainly a holding company) a major transportation organization owning some 10,000 trucks, operating, in 1957, over 155 million miles of road; and serving a territory covering 26 states and two Canadian provinces.

Since the truck leasing business came first in company history, we'll talk about it first. Today, operating from 58 different branch depots, Ryder leases trucks to its customers giving them exactly the size, type, capacity of truck desired, and a paint job and company lettering to order. The customer leases, usually for either a four or five year term, and makes lease payments every week. These charges are based on weekly minimum distance plus mileage rates above, and include everything—gas, oil and grease, servicing, garaging, license and registration, and even on-road breakdowns. Some of the largest and best known corporations in America are Ryder clients — American Can, Armour, Coca Cola, General Electric, Goodyear Tire & Rubber Co., National Biscuit and Union Carbide, for example.

Why, you might ask, would major companies, such as these, and many others, rent a fleet of trucks, instead of owning them? The advantages for both big and small companies are significant. Renting trucks first of all releases funds that would otherwise be tied up in a truck fleet. Smart managements in such lines as bakeries, dairies and soft drinks, etc., take the view that they can make more money investing in, and expanding, their own production facilities, than they can from an investment in trucks. Accounting is simplified and truck leasing, since it can be deducted entirely as an expense, may create substantial tax saving over capitalized truck ownership. Further, there is no need for the lessee to invest in, or maintain garage and repair facilities or a staff of mechanics. Without any attention on the part of lessee management, the truck fleet is kept clean and attractive in appearance, and efficient in operation under the Ryder System.

As a result of these definite advantages just ticked off, Ryder System rentals have been growing by leaps and bounds; and yet the surface of this profitable business has hardly been scratched since less than 2% of all trucks registered in 1957 were operated under lease.

How, you might ask, can Ryder make lease contracts so attractive and cost saving to customers, and still make a worthwhile profit itself? The answer is three fold: (1) volume purchasing, (2) centrally located garages, (3) efficiency in repair techniques and preventive maintenance. Gasoline is bought at wholesale from refiners and stored and pumped on premises. Mass purchase of supplies, spare parts and accessories assure best discounts; and ordering a whole fleet of trucks results in a far better price than smaller or single unit purchases. Centrally located garages enable the servicing of several fleets under one roof with the same corps of mechanics; while maintenance techniques, preventive and corrective, have been virtually reduced to a science by Ryder.

For 1957, truck rentals grossed $20,461,000 and provided $1,834,000 in net income from some 7,500 leased units. This documents a remarkable growth from an annual gross of only $2½ million, 10 years earlier.

The other half of Ryder System, Inc., is the Common Carrier Division embracing a group of subsidiaries handling all general commodities on a regular schedule basis in 10 Southeastern states, running from the Atlantic as far West as Houston. ICC applications have been made to extend these service routes North to New York and Boston. Ryder lines carry an extremely diversified tonnage with no commodity accounting for as much as 3% of gross. Average haul is about 355 miles.

In the Common Carrier Division, too, growth has been rapid with 1957 gross expanding to $26,802,000 from $12,890,000 in 1952, the year Ryder entered this field. Competition is more acute in the Common Carrier Division than in rentals. As an over-the-road hauler, Ryder competes not only with railroads but with other motor carriers and small truckers over most of its service routes. However, it maintains its profitability on competitive rates by economies stemming from an integrated route system, modern and efficient terminals, and excellent equipment maintenance.

In both truck rentals and common carrier operations, the trucking industry is surging ahead. The management at Ryder takes a confident view of its corporate future. It has not regarded its position provincially, but sees trucking as part of a coordinated system of national transportation. To that end it has been investigating the possibilities of integrated air and land transportation; and, last year, introduced piggyback trailer service in the South, under a contract with Florida East Coast Railway under which over 6,000 trailers a year are now being moved on flat railway cars between Jacksonville and Miami.

Stockholders in Ryder System, Inc., have fared well. The first public offering of the stock was on April 27, 1955. Since then the shares (traded on the Over-the-Counter Market) have risen from a low of 11¾ to the present quotation of around 35. Considerable common sock leverage is created by $22,228,057 of long term debt which precedes the 771,363 shares of common. At $1 per share regular dividend has been paid for the past three years but size and uptrend in earnings would suggest that this could be increased in the not too distant future. Earnings have risen from $2 a share in 1955 to $2.88 for 1957. They should reach a new high this year, as gross moves past the $50 million mark. Cash flow is quite high due to over $6 million a year in depreciation; and overall profitability has created a net return on stockholders' equity of about 16%.

The continuous expansion of the trucking industry, the huge potential market for truck rentals, the aggressive, effective and youthful management of Ryder System, Inc., and its remarkable record of corporate growth and progress all would seem to justify viewing its equity as a rolling stock that is going places.

With Irving Lundborg

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Foster L. Hibbard is now with Irving Lundborg & Co., 310 Sansome Street, members of the New York and Pacific Coast Stock Exchanges.

With Nikko Kasai

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Marshall M. Sumida has become associated with Nikko Kasai Securities Company, 2165 California Street. Mr. Sumida was formerly with Mitchell T. Curtis Co. and H. L. Jamieson Company.

Two With Shuman, Agnew

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — John C. McCulloch and Theodore E. Theiss, Jr. have become affiliated with Shuman, Agnew & Co., 155 Sansome Street, members of the New York and Pacific Coast Stock Exchanges.

Roberts Nominated by Rocky Mountain IBA

DENVER, Colo. — Malcolm F. Roberts, Vice-President of Garrett-Bromfield & Co., has been nominated as a member of the Board of Governors for the Investment Bankers Association of America representing the Rocky Mountain Group.


Malcolm F. Roberts

Texas IBA Group to Meet April 1959

SAN ANTONIO, Tex. — The Texas Group of the Investment Bankers Association of America will hold their annual meeting April 1-3, 1959 at the Hilton Hotel in San Antonio.

Reynolds Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Russell K. Tanner has been added to the staff of Reynolds & Co., 425 Montgomery Street.

U. S. Housing Market—and Our Position in a Troubled World

By HON. JOHN J. SPARKMAN*
U. S. Senator from Alabama

Leading Democratic Senator on housing declares that our chronic failure to produce enough homes at a rising level annually, to meet the bi-partisan goal set in 1949, precludes using housing in our battery of economic stabilizers. Looking ahead, Senator Sparkman anticipates 25 to 50% increase in home building in the next decade, a doubling of present mortgage requirements, and a challenge to increase the sources of mortgage funds and improve the mortgage instrument itself. He suggests a nation-wide extension of mutual savings banks to correct uneven national distribution of mortgage funds, and a properly developed mortgage market with a dynamic Home Loan Banking System and another F.N.M.A. for conventional mortgages. Turning to world affairs, the Senator defends Mutual Security Program and favors programming more time and effort for foreign economic aid.

Because of the direct interest of savings banks in home financing I should like to comment first about the present housing situation and point out what I think we may expect in the future. I shall thereafter address myself to the position of the United States in the present troubled world.

Sen. John Sparkman

The other day an economist friend of mine noted how once again home-building appears to be the economic force leading us out of a recession.

History repeats itself—the story today looks like a repetition of the 1949-50 and 1954-55 economic upturns which were spurred on by an expanded home-building program. My friend spoke with enthusiasm of how well housing construction responds to availability of housing credit. He pointed out that housing has turned out to be an ideal stabilizer primarily because it has a huge backlog of unmet demand which needs only adequate credit to stimulate it.

Now I have no quarrel with the use of an economic stabilizer to keep our economy on a more level keel. But I should like to disagree with the philosophy of my friend that housing is expendable, and should be thought of as an economic force to be turned on and off when the economy demands. I think of housing as something more fundamental than that.

Housing to me means homes, families, people. It is the place about which the entire life of a family revolves. Homes are places where babies are born, where children are reared, where marriages are performed, where the American family lives. Therefore, housing production has much more meaning than a mere economic force.

Fail to Achieve Bi-Partisan Housing Goal

Back in 1949 as part of the Housing Act of that year, a National Housing Policy was enunciated. Written originally with bi-partisan support under the leadership of Senator Wagner, Senator Ellender, and Senator Taft, this policy clearly stated the national housing goal as a decent home and suitable living environment for every American family. The policy statement went on to say that private enterprise should be encouraged to serve as large a part of the housing need as it will and can, and that governmental assistance should be provided only where necessary to eliminate substandard and other inadequate housing and otherwise to bring to fruition the national housing goal.

This national policy is the accepted policy to which we must subscribe. We cannot have two policies. We cannot use housing as an economic stabilizer at the expense of failing to achieve our goal.

In order to attain this goal, housing construction must be maintained at a rising level year in and year out. The housing goal was enunciated in 1949—over nine years ago—and we have barely held our own since then.

Demand for Housing

According to a survey made by the Census Bureau in 1956, more than 13 million houses in the United States were substandard. This represents 24%, or one out of every four of the 55,340,000 dwelling units in this Nation. In 1950, the Census Bureau reported about 16 million substandard units, so that we have had some improvement but very small indeed when we consider the high level of prosperity in this Nation since that time.

Why is this?

The simple answer is that we are not producing enough housing units to meet the need.

The formation of new nonfarm households over the past few years has amounted to about one million per year. Housing starts, according to the Bureau of Labor Statistics, has been a little above one million units per year, which is just enough to take care of new household formation. The yearly addition does not begin to take care of the replacements needed because of fire, flood, and demolition; nor does it provide any additional supply to reduce the huge backlog of worn-out, obsolete, and dilapidated houses in which so many of our American families are still living.

I believe that we must take action to increase production of housing in the future. We have a dual job. One, to produce enough new units to replace the old, worn-out and dilapidated units still in use, and, secondly, to prepare for the big family formation expansion expected to take place in the mid-1960's.

We are all aware of the population trend that started immediately after the war and has continued up to the present.

The babies of the mid-forties will be the new heads of households of the mid-sixties, so it requires only simple arithmetic to estimate the probable new family formation for that period. The births of the forties were about 50% greater than the births of the thirties, so we can expect from this source alone that new families formed in the sixties will be about 30% greater than those of the present decade. Most of this increase will occur in the latter half of the 1960's because of the postwar births in the later half of the 1940's.

Other Sources of Housing Formation

There are other sources of household formation, to which the prognosticator has failed to give proper recognition in the past.

Many of our young unmarried people, and many of our older folk who heretofore as an economic necessity lived with their relatives, are now living in homes of their own. They have created a new housing market. This is particularly true of our older citizens.

Do you know that since 1900, while the total population has doubled, the number of persons 65 years of age and over has quadrupled? Today senior citizens number over 14 million, representing one out of 12 persons in the U. S. In 10 years, this number will have risen to about 18 million.

The growing financial independence of older people as a result of social security benefits and industry pension programs has created a demand for separate living quarters which must be considered in forecasting future housing requirements.

In estimating housing requirements, one should not ignore the factor of mobility of our population. Unfortunately, we have no good statistical evidence to measure the effect on housing demand of American families moving from one housing area to another, but we know it is very significant.

In this country, about one out of five families moves every year. A housing demand comes from that group of families who move from a housing surplus area into a housing shortage area, or by families moving from the cities to the suburbs, or from rural areas and small towns to the large metropolitan areas.

For example, our farm population dropped from 25 million in 1950 to 21 million in 1958, a loss of more than four million persons in a short period of eight years. Most of this represents families who moved off the farm and created a demand for new living accommodations in the cities.

Another source of new housing demand comes from families moving from the cities to the suburbs. New York City, for example, had 86,000 less persons in 1956 than in 1950! Under normal growth factors, the city would have gained about 1.5 million persons. This means that several hundred thousand more families moved out of the city than moved in during this six-year period. In the same six years, Nassau County increased by 450,000 persons where normal growth would have produced only one-half that number. In looking towards the future, I should like to say a word about another dormant housing demand which can be awakened if proper steps are taken.

I speak of the many under-housed families who live in homes which are either too small, poorly located, or are unsatisfactory for a number of reasons. Most of these families are anxious to live in better quarters but cannot afford them. Others are living voluntarily in such quarters because of indifference or just plain inertia.

There is a constant potential demand from such families. Increasing family income or the availability of less expensive quarters can convert this potential demand into an effective demand.

The most important factor affecting this demand is the cost of housing in relation to family income.

In 1954, the average price of a new house was $13,500. By 1957, the average increased to over $15,000. Now it is fairly obvious that the $15,000 is above the reach of most American families. To afford a $15,000 house, a family should earn at least $6,000 and, more safely, $7,500 per year. Most families in this Nation just do not earn that kind of money. Ac-

*An address by Senator Sparkman before the 65th Annual Fall Convention of the Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 3, 1958.

cording to the Census Bureau, only one-third of our American families could afford houses being built today.

With these informative statistics in mind, we have some rough idea of the job ahead of us. It is a challenging job and one which requires the energy and attention of all of us in private industry and government.

Meeting the Demand for Housing

What can we do to meet the challenge ahead of us?

In my mind, mortgage financing is the most important key to the achievement of our national housing goal.

This is not to say that other factors, such as supplies of labor and materials, and management techniques should not be constantly improved upon. But I believe these improvements will be forthcoming and the factor which requires primary attention is mortgage financing.

This can be considered in two respects—one, the supply of mortgage funds, and two, a facility for distributing this supply.

In regard to the supply—during the last eight years, nonfarm mortgage debt has had its most rapid expansion in history—from $67 billion to $148 billion. Of the current total, $109 billion is for 1-4 family units, and $39 billion for multifamily and commercial buildings.

In the 10 years ahead, assuming that new construction will increase by 25 to 50%, mortgage money required for residential construction can easily double present requirements.

The question is, how can these requirements be met.

The only source of private capital to be invested in mortgages is from repayments of existing debt or from new savings.

At the present time, we are saving in this country at a rate of about $16 billion a year. About 60% of this is invested in mortgage loans. To double the pool of mortgage funds would call either for more savings of a larger proportion going towards mortgages.

Whether the savings institutions in this country can increase the current share of 56% of total assets in mortgages is a question which depends largely on the price that alternate investments are willing to pay for money.

If the savings that is finding its way into mortgage loans through savings banks, insurance companies, savings and loan associations, and other suppliers is not adequate, then other sources must be found.

In addition to increasing our source of funds, I believe that we must study ways of improving the mortgage instrument itself to attract as much money as possible into mortgages.

The mortgage market is not organized like the market for other capital goods. The Federal Reserve System was established partly to provide a capital market facility for American industry. No corresponding facility exists for the capital need for real estate mortgages even though many people believed that the Federal Home Loan Banks should have the corresponding function.

Need Broad Mortgage Market

A properly developed market facility for mortgages would give the mortgage instrument the flexibility needed to bring more capital into home mortgages.

We know that the supply of savings and credit is limited by the size of the national income and by economic policy. Those of us who understand the importance of housing as an economic factor and also a great social factor must be constantly alert to see that housing gets its proper share of this supply. If housing is to occupy its proper place in the capital market, there should be a properly developed mortgage market and a dynamic Home Loan Bank System to do for housing what the Federal Reserve System and investment banking have done for industry.

Organizations like that of the New York State Savings Banks should give thought to this and study ways for strengthening and improving present facilities.

As is known, the FNMA's secondary market facility serves only the government-supported mortgages loans. As of June 30, 1958, this facility had $1.3 billion invested in mortgages. A corresponding facility would be very useful for conventional mortgages.

One development this year, is a proposal by the United States Savings and Loan League to establish a new Government corporation called the Home Mortgage Guaranty Corporation to insure on a co-insurance basis the upper 20% of a conventional loan. The new corporation would have been under the supervision of the Federal Home Loan Bank Board.

This plan, along with other housing proposals, failed to receive Congressional approval in the closing days of Congress, primarily because of Administration opposition.

However, the State of New York has enacted legislation to permit savings banks and state-chartered savings and loan associations to make uninsured loans up to 90% of appraised value. The Federal Home Loan Bank Board, under its present authority, can amend its regulations to permit a higher ratio of loan to value. In fact, the Board is now considering a regulation which would permit Federally-chartered savings and loan associations to make uninsured loans up to 90% of value. While I have no details of this consideration, I am sure that the regulation would contain some restrictions regarding the volume of such sales, and the type and dollar amounts. Therefore, it may be possible that one of the basic purposes of this new Home Mortgage Guaranty Corporation can be attained merely by administrative regulation.

Unfortunately, many segments of our population have incomes too low to finance decent housing without some form of assistance from the Federal Government. This assistance is not intended to be competitive with private industry, but to support free enterprise in its activities in such a way that all segments of the economy benefit. Through these programs the Federal Government

Continued on page 40

Halting the Persistent Badgering Of Savings Banking

By WILLIAM A. LYON*

President, National Association of Mutual Savings Banks
President, Dry Dock Savings Bank

That there is the possibility of banking notoriety and that it was the non-savings banking membership of the ABA who were responsible for the unfavorable squabble between savings banks and commercial banks, are the principal points scored by Mr. Lyon in concurring in retiring ABA President Welman's proposal "that ranks be closed and that banking make a real effort to work out its problems." Savings banks' spokesman also deplores attempt "to exterminate savings banking through liquidation."

We are ready in the National Association to sit down with commercial bankers to study and discuss any differences that may exist between us. All banking now sees all too clearly how much better it would have been if these discussions had been started as we suggested months and months ago!

William A. Lyon

There is no use, however, in wasting time in regretting what might have been. We have already had preliminary talks over the ground rules for the discussions. When the discussions begin, it is my hope that they will be given every opportunity to succeed. There is a lot of ground to be covered. A disservice would be done to banking if the kind of campaign that was carried on against savings banking before and during the Chicago convention should be started up again.

Liquidation Drive

Even worse for the discussions would be a reopening of the earlier effort — an effort kept very much off-stage while the Chicago drive was going on — to exterminate savings banking through liquidation. The liquidation idea may be either abandoned, which could mark the beginning of wisdom, or deliberately played down for the present for purely tactical reasons. There isn't the slightest doubt in my mind that American banking would reject that scheme even more resoundingly than the proposal to toss savings banking out of the ABA. And you can't tell me our Legislature wouldn't know what to do with the liquidation bill.

To revive the extermination drive during or after the discussions would bring all banking under a cloud. The public's patience can be pushed just so far without uproars over such weird proposals.

Retiring President Welman of the American Bankers Association has proposed that old animosities be forgotten, that ranks be closed and that banking make a real effort to work out its problems. That is the way it should be. Certainly, we have no desire to keep a feud going. We did not start the one at Chicago. We are not interested now in reprisals. We are not planning to try to put anybody out of business. We ask no more than we are prepared to concede — common courtesy, fair play, tolerance, a regard for the merit of others. This is the most typically American of all rules of conduct. It is also typically American not to like being shoved around.

Chicago Experience Is Closed

The Chicago chapter — a traumatic experience for all banking—is closed, unless our detractors reopen it. We expect to stay in business and to continue to serve the public well for a long, long time. We would concede that others have a place in the future too. If deposit banking is rent apart by harsh and petty strife, it will not be by our choosing or initiating. For various reasons, banking lost public respect in our time and then regained it only with difficulty. By reckless, persistent badgering of savings banking by certain elements in commercial banking, leading inevitably to bickering, that public respect and confidence could be seriously damaged. It has been said that every profession is greater than most of its practitioners. Each practitioner tends to draw more prestige from the vast accumulated mass then he contributes to it. But I say that if the deficit at any time is large and growing rapidly, that industry is in for trouble. That, to me, was the lesson which Chicago was trying to convey to American banking.

*From a talk by Mr. Lyon before the 65th Annual Convention of Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 1, 1958.

Phila. Secs. Assn. to Hear

PHILADELPHIA, Pa.—Herbert B. Woodman, President, Interchemical Corporation, will address a luncheon meeting of the Philadelphia Securities Association on Wednesday, Oct. 15, at the Barclay Hotel.

Warren V. Musser of Philadelphia Securities Co., Inc. is in charge of arrangements.

Today's Trends in Mortgage Lending

By BROWN L. WHATLEY*

President, Stockton, Whatley, Davin and Company, Florida
Past President of the Mortgage Bankers Association of America

Opportunities New York banks are missing in earnings, safety and participation in nation's growth by not investing in out of state mortgages are depicted by Mr. Whatley who has been in the mortgage field for more than thirty years. The Florida mortgage banker indicates how safely and easily savings banks can conduct mortgage investment at long distances and points out that the mortgage correspondent system which has served life insurance companies so well and so long is equally available to savings banks. Points out that between now and 1970 some 17 million homes must be built just to maintain present living standards and that this is a greater rate of growth than 1946 to date. Adds that 1959 predicted demand for about 1.3 million new homes may only be offset by 1.2 million homes built. Concludes there should be no undue restrictions on flow of capital accumulated in New York.

Recent developments bearing upon investment policy of thrift funds in this country and present indications of the shape of things to come seem to me to justify fully the generally accepted policy of extending and expanding the field of mortgage loan investment for insurance companies, pension funds and all institutional investors, including mutual savings banks. More and more today, enlightened legislators are seeking to remove road blocks which have traditionally impeded the flow of mortgage money across state lines. This applies both to capital deficient states, as well as to those like yours, which have surplus funds that must be put to work. Our legislatures and supervisory officials and agencies in some areas also are now, at the request of mortgage investors, giving consideration to the question of authorizing more realistic permissible ratios of loan to value.

Brown L. Whatley

While traditionally the people of New York have displayed a strong preference for mutual savings banks in making their choice of a place to deposit their savings, nevertheless, competition for the savings dollar from savings and loan associations and other investment media has increased and may be expected to continue to do so. While such things as safety, convenience, varied services and other factors offer great appeal to depositors (and mutual savings banks may point to these things to good advantage) the relative ability of thrift institutions to attract the savings dollar will **ultimately be determined in large part by investment policy.**

The record of earnings and the rate of dividends of New York savings banks for the past half century strikingly parallel the rate of supply of mortgage loan investments.

Parallel Earnings Growth

In 1900 when the average dividend rate was approximately 3.4% the ratio of mortgages to total assets was 41%. From then until 1929 both the dividend rate and ratio of mortgage investments to deposits varied somewhat but the general trend has been consistently upwards for both items. In 1929 the average dividend rate was 4.36% and the ratio of mortgage to assets was 65%. After 1929 both of these figures dropped off until 1946 when the mortgage investment ratio bottomed out at 28% and the dividend rate reached a low of slightly less than 1½%. In 1946 the rate turned upward again and today the prevailing dividend rate is 3¼% with mortgage investments constituting 66% of assets.[1]

The growth in earnings has continued to parallel and to travel up with the growth in the volume of mortgages which become available in substantial amounts as a result of the tremendous expansion of home building. Today New York State savings banks hold 1,163,384 mortgage loans having a total dollar value of 14.5 billion dollars. A very substantial proportion of this impressive total represents loans made by these banks outside of the State of New York.

It is certainly good for the economic health of the nation to permit investment funds to flow freely from the states that are most heavily endowed with capital to the new and relatively undeveloped areas of the country. **What is good for the nation is certainly good for New York.** This is not a mere platitude. There are **definite reasons why this statement is true.**

The pre-eminence of New York State, especially New York City as a financial center is of course recognized everywhere. Here are the great reservoirs of our nation's capital. In the field of individual savings, New York State occupies a unique position. Our oldest and largest insurance companies are domiciled here and historically, a substantial share of the payroll of America is regularly lodged with them for the protection of the homes and families of the nation. Here the great commercial banking institutions become the ultimate custodians of the surplus funds of all types of financial, commercial and industrial institutions.

Correspondent bank balances which flow from banks across the nation into twelve leading banks of New York City, now consititute about 22½% of total deposits.[2] Of the current deposits of 26.8 billion dollars in these twelve banks $6 billion represents such correspondent balances. If the amount of deposits in these banks of individuals, institutions and corporations domiciled in other states was ascertainable, the actual total of out-of-state deposits would doubtless surprise many of us.

These commercial bank balances help to make commercial bank credit more readily available and tend to relieve the pressure for periodic withdrawals of savings balances.

New York Area Is Nation's Banker

New York is not only the banker of the nation, it is in large degree also the nation's factory, its home office, its wholesale mart and to a great extent the retail store, the school house, the theatre and the convention headquarters and tourist center of the nation. New Yorkers may take just pride in the fact that the capital which traditionally has built our railroads, our highways and bridges, equipped our airlines and built our schools and hospitals, and municipal utilities, has in the main been cleared through or provided by your New York financial institutions.

The nation's economy today is one of high complexity and inter-dependence. Free trade, **without old world state or border line** barriers and restrictions, has provided ample goods and services for all and has been a basic factor in America's success. Our important producers today look to the national market for their customers. New York State industry is an excellent case in point. In Utica, for a single example, such important industries as Bendix Aviation, General Electric and Utica Drop Forge and Tool corporation employ thousands of workers whose living depends upon a national market for the goods they make. Elmira, Endicott, Buffalo, Poughkeepsie, Binghamton, Troy, Rochester and Schenectady are just a few other examples out of many, besides Brooklyn and New York City itself, where local economy is strikingly interwoven with that of the nation. The names of nearly all of your larger cities are synonymous with the trade names of products intimately known to the households of America.

Last year I was attending a meeting of a U. S. Chamber of Commerce Committee where certain items in the new Federal budget were under consideration. A proposal was made that the committee recommend that welfare and school allotments to the several states be made in direct proportion to the tax revenues received by the Federal Treasury from the respective states.

A member from California quickly interposed objection to the idea. The proposer then said, "I would think you would **like** the suggestion. Your State of California happens to be one that pays in more than it receives in direct benefits."

"Oh, but I came originally from the South," was the answer, "where in some areas our needs have always been greater than our tax contributions and down there we have always traveled on the theory **that Yankees were easier to pick than cotton."**

This matter of mortgage investment we are talking about, however, is no one-way street. The benefits work both ways. It's no welfare matter but a **cold business proposition.**

Undue Restrictions on Capital Flow

When New York credit is extended to other cities it helps to create job opportunities and income which is spent in the market for goods made here. Service industries illustrate even more vividly the importance of the outside market to the economic welfare of New York. Almost one-half of all of the advertising billings in the United States represent business which originates in New York agencies. Approximately 90% in value of all securities transactions on registered exchanges in this country take place in New York. Insurance firms, management consultants, commodity exchanges in large part are domiciled here. The corporate and governmental bookkeeping of the nation is done on New York's IBM machines. Just name it and New York has some part in it. Undue restriction of the flow of capital accumulated here would take the shirt right off the out-of-stater's back—a shirt very likely to be a Manhattan from Middletown or an Arrow from Troy. Fence building will work two ways. It tends to keep people and money out as well as in.

It is said that restrictions on out-of-state mortgages may be advantageous for the home-builder in New York State by providing a more plentiful supply of mortgage money than would otherwise be possible and thus assure low rates and high premiums. **Such restrictions nevertheless are imposed at the expense of the depositor** and constitute **discrimination against the thrifty citizen.** Any such restrictions are especially questionable at a time where there is serious threat of inflation and when every possible inducement should be held out to savers. Not only may such restrictions work against the best interest of depositors **by curtailing the earnings of the banks,** but the **question of safety also enters the picture.** Pressure to invest funds at home can and possibly has in some degree led to the acceptance of mortgages of comparatively poor quality. New York State cannot use to advantage all of its mortgage money any more than Kansas can eat all of its wheat or Iowa its corn and pigs, Idaho its potatoes. The price of our oranges in Florida would drop through the floor if our out-of-state market was denied us. Undue restrictions on out-of-state mortgage lending such as **area or distance limitations** tend to do the same thing for mortgage interest rates in New York.

Of course, all mutual institutions seek to lean over backwards, so to speak, **to make certain they first meet their full obligation to their own constituents—their own community and state.** That goes without saying. In fact, it is quite evident that the savings banks of New York and New England have been doing just that. When you look at Florida mortgages it always seems to me at least that you are more difficult to please, and you drive a harder bargain than when you are making loans at home. But of course, that is perfectly natural and no one can blame you for it **(except perhaps your depositors).** When you reach out into the national market, however, you have the benefits of a much wider choice from which to make your selection and you probably have less pressure to make a given loan even though, **I'll admit, we put all the pressure on you we can!**

Safety Record Compared

Let's look at the record of the MBA delinquency survey for the past five years. Of course, the mutual savings banks do not hold all of the loans reported on this survey but of the FHA, VA and conventional loans reported on in Region 1, New England, New York and New Jersey, I would imagine most of these are held by your institutions.

The 30-day delinquency rate on FHA loans for this five-year period in Region 1 was 2.73% as against 1.63% for the country as a whole. The 60-day rate was 0.48% as compared to 0.27% throughout the country. The 90-day figure was 0.19% against 0.13% for the nation.

The five-year MBA survey record also shows VA and conventional loan delinquencies in higher percentages in Region 1 than in the country as a whole.

Here are some very significant facts that may reflect some light on this comparison of mortgage collection records in this region:

The savings banks of New York State alone hold 59% of the total

Continued on page 48

*An address by Mr. Whatley before the 65th Annual Fall Convention of the Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 3, 1958.

1 Economic Study of Savings Banking, New York State.

2 Finance and N. Y. Clearing House reports.

Our Enormous Spending And Tax Burden

By F. R. HOISINGTON
Chairman, Committee on Taxation
New Jersey Conservative Club, Montclair

Mr. Hoisington cites numerous data demonstrating the enormity of our ever-increasing tax burden. Combats arguments justifying spending by vested interests via relating it to "Gross National Product" by calling that statistic "puffed up." Urges we at least get Federal expenditures back down to the Truman level, saving us $14-21 billion. Maintains relief can come through restricting spending to a maximum of 20% of national income, with further reductions in subsequent years.

Taxes are too high. They have reached a point where the average citizen works more than a day and a half out of every five for the government. Figures from the Survey of Current Business (Department of Commerce), July 1958, show national income in 1957 as $364 billion, and government revenue in the same year as nearly $110 billion (Federal, state and local). Taxes now siphon off over 30% of total national income. In the peak year of 1929, the proportion was less than 13% (about $11.3 billion out of $88 billion). Thus nearly 36% of all the increase in income since that year must be used to pay taxes. Everybody is getting in a higher bracket—so is everything else, including hidden and double taxation.

How to reduce taxes? Obviously by reducing spending. Self-styled liberals, however, as well as some who profess to be conservatives, accept the present cost of government is inevitable. In fact, far from thinking of a sound fiscal policy, they are constantly clamoring for increased appropriations.

Creation of Vested Interests

Already government spending, 33% of national income in 1957 and estimated at 35% in 1958, has created such vast vested interests that it seems almost impossible to reduce spending by a piecemeal approach. Accordingly, conservatives are driven to advocate an overall limit on spending and the elimination of special tax privileges. Such a limit has, of course, to be geared to the population and income growth of the country, but these do not justify an increase in spending from $11 billion to nearly $110 billion. The spenders, who point to higher incomes and the necessities of an increasing population forget to mention that, while per capita income has not quite tripled, the per capita cost of government has risen more than seven fold and the aggregate tax bite is ten times as high. Even this huge percentage taken from the national income fails to cover the accelerated spending which can now be estimated at between 11 and 12 times the 1927-1929 rate. Hence the constantly rising deficit and ever increasing government debt.

Puffing for Special Pleading

The spenders, presenting a basis for comparison, always quote the "gross national product" but do not explain that this is puffed up to the extent of some 20% by inclusion of "indirect business tax and non-tax liabilities, business transfer payments, statistical discrepancy, and capital consumption allowances." Even what the government calls "net national product" includes the first three of these items. Such a statistical method may not be actually dishonest, but it is certainly mystifying to the average citizen.

Many seasoned observers believe the best yearly dollar figure with which to link taxes is national income, even though this must perforce include income from government orders. "National income by industrial origin" is defined as net value added to production by industry, measured at factor costs. Thus, there is no double counting. In manufacturing, for example, only "value added" is used, not value of output, as the cost of purchased items is accounted for under their respective headings.

Even the Truman administration held Federal expenditures to 15-17% of national income before the Korean "police action." If we can avoid similar adventures by a sane foreign policy, we should be able to get expenditures down to this same level. This alone would save us between $14 and $21 billion, or enough to balance the budget and make a substantial beginning on income and other tax reduction. Concurrently, a gradual elimination of government operated industry, now competing with private enterprise, could begin, saving more billions. Further cuts could be made by restoring to the several states some of the functions which were taken over by RDR and jealously guarded and expanded by Truman and Eisenhower.

Special Burden of Large Scale Bureaucracy

It is axiomatic that the smaller governmental units, which are under closer scrutiny by the voter, operate more economically than the Federal bureaucracy. But even here Federal influence has adversely affected the fiscal policies of the several states so that substantial savings could be effected by an alert citizenry. And if a citizen is not satisfied with the fiscal policy of one state, he can live in another. By contrast, there is no escaping the effects of Federal policy.

Interest on the Federal debt alone now takes 2% of the total national income and, now that the debt limit has been raised to accommodate the Federal bureaucracy, there is no reason why it can not be repeated again and again in the future as it has in the past.

It is too much to expect that present ideas of economy could in the foreseeable future bring Federal expenditures down to the 3% of national income considered ample when it was less than one third of the amount spent by the states and local governments in exercising their proper functions. This meant a grand total under 13%. However, concurrently with an immediate and scheduled reduction of the income tax, a good beginning would be to restrict Federal spending in 1960 (we are already in fiscal 1959) down to a maximum of 20% of total national income, not the phoney "gross national product." This percentage, barring a hot war, could be reduced each year by 1% for the next four years, bringing it down to 16% in 1964. Then we could have a fresh look at it and figure how much further it could be cut and when.

Fiscal Years	**Government Expenditures (Billions) (excluding debt retirement) Federal (*)	State (†)	Local (†)	Total	National Income (‡)	% Govt. Spending to National Income Federal	State & Local	Total
1927	$2.8	$1.9	$5.8	$10.5	$80.8‡	3%	10%	13%
1932	4.7	2.6	5.6	12.8	42.5	11	19	30
1934	6.7	2.5	4.3	13.5	49.0	14	14	28
1936	8.5	3.0	4.4	15.9	64.9	13	11	24
1938	6.9	3.9	5.3	16.1	67.6	10	14	24
1940	9.2	4.5	5.8	19.5	81.6	11	13	24
1942	34.3	4.5	5.6	44.3	137.7	25	7	32
1944	95.4	4.2	5.4	104.9	182.6	52	5	57
1946	60.9	6.2	7.0	74.1	180.9	34	7	41
1948	33.9	9.4	10.0	53.3	223.5	15	9	24
1950	40.8	12.7	12.8	66.2	241.9	17	10	27
1952	67.9	13.3	14.9	96.2	292.2	23	10	33
1953	77.5	14.1	16.0	107.6	305.6	25	10	35
1954	71.8	15.8	17.9	105.4	301.8	24	11	35
1955	69.8	17.4	19.9	107.0	330.2	21	11	32
1956	72.7	18.4	21.4	112.5	349.4	21	11	32
1957	77.4	20.4	23.4	121.2	364.0	21	12	33
1958-59	83.0§					23††	12††	35††

*Net budget expenditures and net expenditures of government enterprises and revolving funds, plus benefit payments and expenses of trust funds. †total expenditures less aid received from other governments. ‡Conference Board estimate. ‡Calendar years—Survey of Current Business—July 1958. §Estimate of The Tax Foundation, Inc. for fiscal year 1958-59 cited by Human Events, Sept. 1, 1958. ††Estimate of the writer. **SOURCE: The Tax Foundation.

NATIONAL INCOME AND FEDERAL, STATE, AND LOCAL REVENUES
1929—1957 (Millions)

Year	National Income	Government Revenue	Percent
1929	$87,814	$11,258	12.8
1932	42,547	8,886	20.9
1935	57,057	11,362	19.9
1936	67,581	15,032	22.2
1941	104,710	24,983	23.8
1944	182,639	51,184	28.0
1946	180,900	51,249	28.3
1948	223,500	59,262	26.5
1950	241,900	69,360	28.7
1952	292,200	91,072	31.2
1953	305,600	95,900	31.4
1954	301,800	93,308	30.9
1955	330,200	90,789	27.5
1956	349,400	105,642	30.2
1957	364,000	109,971	30.2

SOURCE: National Income: Survey of Current Business, July 1958. Government Revenue: Paul O. Peters, "Informational Bulletin No. 113, June 4, 1958."

Urges Ban on National and Federated Unions

Guaranty Trust avers labor is now monopolistically supplied to employers, which has become the second biggest business in the economy, and should be subjected to detailed control. Specifically recommends limiting labor organization to the employees of one employer as one way to help protect the value of money.

The supplying of labor to industry has become, next to government, the biggest business in the economy and new legislation is required to govern it, Guaranty Trust Company of New York stated on Oct. 9.

"Like other businesses, it must be kept competitive if the economy is to remain free," the bank said in its October business and economic review, "The Guaranty Survey."

It has caused the problem of monopoly to reappear "in a form quite as threatening as that in which it appeared in the latter part of the 19th Century, and in some respects more so," the "Survey" observed. "Then it was capital monopoly; now it is labor monopoly.

Monopoly Prices Victimize the Consumer

"The effect is the same: monopoly prices. And the victim is the same: the consumer."

Sweeping corrective legislation is urgently needed, Guaranty said, but the bank cautioned that merely to make labor organizations subject to the anti-trust laws is probably too simple a solution. Their obligations and liabilities under these laws would have to be spelled out, the bank noted.

Guaranty suggested that the requirements of collective bargaining, which is the avowed purpose of labor organizations, be met insofar as is practicable by limiting the labor organization to the employees of one employer.

The "Survey" pointed out that organizing of employee groups is now done "by professionals sent in by outsiders seeking to extend their power and their revenue by selling their services to workers in the plant."

The monopolistic character of these labor groups is illustrated, Guaranty said, when:

"The employer is forced to bargain, not with the workers in his own plant, but with representatives of a labor organization that may be national or international in scope, that may cover the whole industry and perhaps other industries as well, and that may have vast financial resources at its disposal."

Greater Threat Than Capital Monopoly

There are several ways in which labor monopoly represents a greater threat to the continuing welfare of a free economy than capital monopoly ever did, the bank said. One example cited was that it is more far-reaching, because labor is by far the most important element in cost and hence in price.

"Most important of all," Guaranty said, "experience has shown that labor monopoly, working in conjunction with other restraints on free competitive markets, is undermining the value of money, a process which, unless curbed, can eventually destroy not only economic welfare but national security as well."

Form Triangle Investors

Triangle Investors Corporation has been formed with offices at 161 William Street, New York City, to engage in a securities business. Robert Weinstein is a principal.

W. G. Nielsen Branch

SAN FERNANDO, Calif.—W. G. Nielsen Co. has opened a branch office at 907 San Fernando Road under the management of Mel Kidder.

Joins York Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Eugene J. Marty, Jr. has become associated with York & Co., 235 Montgomery Street, members of the Pacific Coast Stock Exchange. He was formerly with H. L. Jamieson & Co.

With Dean Witter

(Special to THE FINANCIAL CHRONICLE)

SAN JOSE, Calif. — Dale L. Donnelly has become associated with Dean Witter & Co., 34 North First Street.

"Are We Meeting the Challenge of Savings Bank Life Insurance?"

By THOMAS H. HAWKS*
President, Rochester Savings Bank
Chairman, Board of Trustees, Savings Banks Association of the State of New York

Savings banks are warned that if they do not fully participate in savings bank life insurance that they may find the privilege given to other institutions in the thrift field. Mr. Hawks pinpoints nine reasons why savings banks do and should enter the life insurance field and reports insurance already in force in Massachusetts, Connecticut and New York—over $1 billion —ranks 72 out of the 1,314 life insurance companies in the United States.

We are approaching the 20th anniversary of Savings Bank Life Insurance in New York State, and statistically this is the picture: Of the 128 savings banks in this State of New York, 48 have Life Insurance Departments — 29 more are so-called Agency Banks that sell life insurance and place the business with another bank. We therefore have 77 savings banks, or approximately 60% of the total, that are in some way or another selling Savings Bank Life Insurance. These figures, I think, show that we as a system are not yet taking full advantage of the opportunities afforded us under the law.


Thomas H. Hawks

The big growth of Savings Bank Life Insurance has really just begun. Originally, in 1939, a bank could take applications for only $3,000 of insurance and keep only $1,000 per bank. Then in 1948, it became $5,000. This year the maximum was raised to $10,000 per person. But that's not all—in addition to the $10,000, a person may now have as much as $20,000 mortgage insurance on decreasing term. So, in effect, we have for the service of our customers, a $30,000 maximum. This, of course, is exclusive of group life insurance issued by a savings bank. Even our group coverage has recently been broadened, which permits us to offer group insurance to our mortgagors. Under such a plan, group mortgage insurance at low rates, without medical examination, provides low cost protection to pay mortgage payments after the insured dies.

Advances in Bank Insurance

Another new development of importance this year is the family policy. This policy is unique since it covers father, mother, sister, brother in one policy, for one low premium, and, as an extra bonus, it insures each newcomer to the family automatically without any increase in premium, no matter how many.

All these innovations will provide a wider market for all our banking operations by bringing to the bank a whole new group of prospects. Yes, these are great advances in a growing business.

In spite of the lack of 100% participation, Savings Bank Life Insurance in our State is big business. During the past 20 years in New York State more than 200,000 policyholders have bought approximately $350,000,000 worth of Savings Bank Life Insurance, and the volume of premiums paid yearly has risen above $10,000,000. According to the New York State Insurance Department, the savings banks in all but two years have been among the top four insurers as to net gain in New York State ordinary policyholders. Only Metropolitan, Prudential, and John Hancock have consistently gained more New York policyholders.

Total Savings Bank Life Insurance in force in Massachusetts, Connecticut and New York now amounts to more than one billion dollars. The 1958 total is five times what it was in 1940.

Only 72 of the 1,314 life insurance companies in the United States have over a billion in force.

In Massachusetts, where longer experience in life insurance and more liberal limitations have prevailed, we find life insurance departments which compare more favorably with the size of the bank. May I cite two specific cases which illustrate so well the great potential of the product which you and I in New York can develop too.

The Boston Five Cent Savings Bank with 168,000 savings accounts and assets of $320,000,000 has 61,600 life insurance policies for $71,000,000 with assets of $14,900,000. The bank 104 years old—life insurance department 30 years old.

The Whitman Savings Bank with 14,347 accounts and $13,700,000 assets has 27,900 (200%) policies and $34,000,000 life insurance, with assets of $10,400,000 (75%). This was the first savings bank in the country to offer Savings Bank Life Insurance.

These are the facts—we simply cannot ignore them. Let's go a step further—in Massachusetts in the early days things started slowly but now the savings banks in Massachusetts, a state with a population only one-third the size of New York, sold 35% more life insurance in 1957 than we did in New York — $50,000,000 against our $37,000,000. If we could do as well per capita it would mean annual sales in New York of some $150,000,000.

Furthermore, the average per capita income in Massachusetts is a good 12% less than the per capita income in New York. So New York State is slated for a very substantial increase in Savings Bank Life Insurance business if we capitalize on the opportunity at hand. I don't think that Massachusetts savings bankers, capable as they are, are any better merchandisers than we in New York State. At this point, may I remind you again that only 48 of our savings banks in New York State have Life Insurance Departments, and only 29 others are issuing banks—total: 77 out of 128 —some 60%. Just think what we could do with the other 40%!

Why Savings Banks Sell Insurance

Why do savings banks enter the life insurance business? Perhaps the following facts may give a clue:

(1) Savings Bank Life Insurance attracts systematic savers and holds them. Life insurance is one of the most popular methods of saving which has been proven by surveys and statistics throughout the country. With such policyholders we have a lifetime association, and banks with Life Insurance Departments already in operation recognize the unusual opportunity to do new banking business with present policyholders. They may become mortgagors, depositors, safe deposit box renters, etc.

(2) In Savings Bank Life Insurance we have a stable, long-term growth product which increases each year. During 1957 only 1.7% of Savings Bank Life Insurance was voluntarily terminated. One bank conducted a survey after 17 years in the life insurance business and found that 76% of the policies were still in force. Only 26% of the savings accounts of that period were still open. Overall, some 85% of all Savings Bank Life Insurance policies taken out during the past 10 years are still in force.

(3) Savings Bank Life Insurance brings new savings accounts to the bank through combination and package plans. In this we have an almost exclusive feature. The automatic payment of premiums from savings accounts is an exceedingly attractive arrangement for many of our depositor-policyholders.

(4) At the present time savings banks are the only institutions to offer the exclusive package of three outstanding savings services: savings accounts, mortgage loans and life insurance.

(5) We know that the family unit is the backbone of America as everything revolves about the family circle. Our product makes a more stable and independent family. In turn the solid family units impart stability to the community, resulting in lower welfare costs, fewer financial hardships, etc. Some 30-40% of Savings Bank Life Insurance applicants have no insurance at the time of application. Yes, Savings Bank Life Insurance is an important community service.

(6) Although we are unable to make personal loans as savings banks, the life insurance policyholder may borrow against his policy and in just a few minutes receive his check. Many a down payment on a home has been provided through a Savings Bank Life Insurance Loan.

(7) For our depositors, life insurance is the ideal complement of a savings account. It provides immediate and continuing protection during the time it takes small and regular savings to grow into a substantial deposit account.

(8) Savings Bank Life Insurance is sold. It doesn't sell itself. This requires extensive training, sales know-how and knowledge of the product. Sales training and sales enthusiasm are assets which are associated with a successful Life Insurance Department. When we have a healthy growing Life Insurance Department — when sales consciousness and new business techniques are fostered and practiced, benefits accrue to the entire bank. This type of enthusiasm is contagious. It can't help but spread throughout the entire organization.

(9) Personnel trained in life insurance sales make good material for future supervisors. More and more people who have come up through life insurance training are taking key places in our banks. Moreover, in the Life Insurance Departments which have reached a degree of maturity there is already a full-blown career available to the capable employee. This includes officerships and responsible supervisory positions.

Urges Participation by All

I am firm in my belief that all these benefits can accrue to a savings bank through its Life Insurance Department because such things have already come to pass in many banks in Massachusetts, Connecticut and New York. But naturally I am most aware, and

Continued on page 53

*An address by Mr. Hawks before the 65th Annual Fall Convention of the Savings Banks Association of the State of New York, Lake Placid, N. Y., Oct. 2, 1958.

Inflation—Past: Present: Future

By GRAHAM HUTTON*
Author and Economist, London

British publicist shows how inflations in history, from Rome to Germany, have been ruinous. Although suggesting similar prospect faces us now, maintains we still have a choice rather than a deterministic fate, if we choose to restore long-run reliability to our standards of value. Concludes planned, progressive inflation as a social policy, ends in unplanned, unwanted, inescapable, and unforeseen disaster.

A continuous and rapid rise in prices is the clearest **manifestation** of progressive inflation. It has occurred in many countries in history, and in entire civilizations: among others, in pre-historic Peru and Mexico, in ancient Greece, in the Roman Republic and in the classic case of the Roman Empire, in Renaissance Europe, and (in the era of World Wars) in the Napoleonic and the First and Second World Wars.

It is found with the growth of towns in later medieval Europe after the Black Death of 1348 and the consequent rise in wages and fall in available agrarian and urban labor supply; in the Iberian Peninsula (and, later, throughout Europe) after the influx of gold and silver from the New World in the sixteenth century; frequently in besieged cities (Bishop Apollinaris Sidonius refer to it in his Clermont-Ferrand in the 5th century, when it was beleaguered by Visigoths; and the case of Paris in 1870-71 is only a modern version); in overspending and near-bankrupt States like Germany after 1921 or 1945, or Hungary after 1944, when production of money madly outruns production of goods and services.

Likewise in the entire trading world when the supply of international money (e. g. gold) expands, as at certain stages in the 19th century, when goldfields were opened-up; and whenever local circumstances impel any Government to inflate, debase, clip, devalue, or otherwise debauch the standard of value used as money (e.g. the regular debasements by Roman Emperors, Anglo-Saxon monarchs before William the Conqueror, Plantagenet and Tudor Kings, French Bourbons, and modern democratic and totalitarian governments alike).

The longest, progressive inflation of a single-standard currency I know is that of the Roman Empire.

The Roman Imperial inflation had clear-cut effects on Roman society. Those effects endured longer than that society. Indeed, the Imperial inflation largely **fashioned** the local, feudal, agrarian communities on which later barbarian European nations and societies were founded. The effects of the Roman inflation in breaking down cities and large-scale commerce were being endured in the Dark Ages of Merovingian, Carolingian and Capetian France, during the feudal epochs of Western Europe, and even in Norman and Angevin England, to say nothing of Lombard Italy. Those effects of a much earlier inflation of a once reliable international currency were still felt during the painful period of the Early Renaissance, when Europe's modern towns and cities first re-emerged from a primarily self-sufficing agrarian feudal society, and grew up with new forms of trade and transport. Despite the evidence adduced by such scholars as Dopsch and Pirenne, it is clear that feudal European society in the Dark Ages was locally hamstrung, tied to local lords and lands, where little money (if any) circulated.

Surely, indeed, the State Theory of Money was never so true as it was in the small societies, petty sovereignties, and little trading areas or markets of medieval Europe. "The lord has the **ban**, but the King has the **Arriere ban**!" The King's power was as weak as his money and trade. That is the truth of feudal society.

The Dark Ages and early medieval Europe occurred because of what had happened between Augustus and Septimius Severus to a preceding **internationally-organized** society, based on international trade, in its turn based upon one main currency standard, and operated under one main system of international commercial law. One can plunge deep into Oertel, Brentano, Roztovtzeff, Vassiliev, Tenney Frank, Walbank, A. H. Jones, Colin Clark, and scores of other students' work on the economic breakdown of the Roman Empire; but in the end one will come away with no more than three main conclusions about the causes and effects of the long, progressive inflation of the Imperial currency from Augustus to Honorius.

The Roman Inflation

The Empire's State expenditure became intolerably and inefficiently burdensome, **by way of increasing taxes.** They had to be raised so high because most bulk trade, transport, defense, law, finance, and civil administration remorselessly became monolithic State enterprises. The exceptions for private trade were few, and progressively became fewer and more localized. (The classic *parvenu*, the freedman Trimalchio in the *Satyricon* of Petronius Arbiter, was "doing very nicely, thank you" out of Imperial monopolies.) Urban and rural workers had to be "frozen" in their jobs, which soon became hereditary — another adumbration of feudalism. Traders and merchants in the economic sphere, like the legions in the military, could only do well for themselves as State functionaries; and often **their** status became hereditary.

Long before Pliny's statement *latifundia Roman perdidere* could become true, some cause had already created the *latifundia*, as well as a bewilderingly rapid multiplication of rigidities, controls and controllers. That cause was the rapidly increasing taxation, levied mainly on the hitherto independent traders and farmers, the "small men," to support the rapidly increasing expenditure of the State machine. It drove small yeomen and traders out of independent existence. It drove small farmers into dependency on others by their notorious "flight" into slavery or clientism, or by the more genteel method of amalgamation with their neighboring, bigger, larger-scale, and therefore more privileged farming colleagues. It drove small artisans and traders into similar "dependencies" either as urban slaves or, more often, as members of big "collectives" or "colleges" of occupations, i. e. prototype guilds and trade unions.

Depopulation of the countryside accompanied the urbanization of the early Empire; But as "international" trade languished with the progressive inflation, unemployment became rife inside the cities, which now shrank behind their new and narrow walls. As

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*A paper presented by Mr. Hutton before the Annual Meeting of the Mont Pelerin Society, Princeton, New Jersey, Sept. 3 to 8, 1958.

Investment of Pension Funds

By JOHN C. HEIMANN*
Pension Fund Investment Department
Smith, Barney & Co., New York City

Rapidity in the rise of private pension funds and increasing trend away from insured pension contracts to self-investment plans prompts Mr. Heimann to describe the basic investment considerations involved in proper fund management. To illustrate the points made, the pension fund expert provides a case study of a fund he is presently advising. The author calls attention to the present investment trend of constant and steady growth of common stock; stresses no two funds are alike; and suggests union officials be more familiar with investment matters because of their increasing fiduciary responsibility. Turning to statistical projections of private funds' growth, he finds they now amount to $33 billion, will rise to $46.8 billion in 1960 and $76.9 billion in 1965, and trustees in 1965 will be responsible for an investment of $51 billion at present rate.

The private pension fund is a unique by-product of the economic factors and forces at work within our industrial system. The most important basic factor has been the desire of the American worker for a good standard of living after retirement. Simultaneously, the most important force has been the trade union dedicated, as it is, to increasing the collective bargaining power and dignity of its membership.


John G. Heimann

Within two generations, private pension funds have grown so rapidly that they now total approximately $33 billion with an annual rate of growth of over $4 billion. Furthermore, it has been calculated by the Securities and Exchange Commission that by 1960 these reserves will amount to $46.8 billion and by 1965, the astronomical total of $76.9 billion.

Translated into numbers of people, these private pension funds cover some 15 million workers directly, and, if you include their dependents, they affect over 60 million people. Obviously, the administrative responsibility for these funds is of great importance. The individuals who have accepted this position of trust are guardians of the future economic status and dignity of their fellow Americans.

The ultimate success or failure of any individual pension fund depends directly upon a number of factors including such problems as the accuracy of the actuarial calculations, the control of administrative costs and, most important to us today, the investment policies applied to the fund. The ultimate results of the operations of the fund will depend upon how well these tasks are performed not only at inception but also during the continuing years of the fund's existence.

It is important to point out that all of the various tasks relative to the administration of a pension fund must be performed well if that plan is to be a success. No matter how well the actuary has performed his role, if the investment policies applied to the fund are a failure, then the plan must suffer. All of these parts must complement each other and none of them can be overlooked.

Self-Insured versus the Insured Plan

There are two methods of financing a pension plan once collective bargaining has been completed and the plan written into the contract; through the utilization of insurance companies or by establishing a trust fund. The first method is called the Insured Plan; the second the Self-Insured Plan.

Which method of operation is most feasible for the individual fund is a matter which should be decided as a result of the studies and calculations prepared for the Board of Trustees by the fund's actuarial counsel. If the insured method is chosen, then the trustees need not be concerned with the investment problem because this becomes the responsibility of the insurance company. However, if the plan is to be self-insured then the investment problem becomes that of the Trustees' since they assume a fiduciary responsibility in relationship to the pension fund.

Growing Investment Problem

At the end of 1957, 42% of all pension funds were insured. The SEC has extrapolated these figures and predicts that by 1960 only 38% of all pension funds will be insured and by 1965 only 34%. The trend is distinctly away from the insurance contract in favor of self-investment. Therefore, by 1965, pension fund trustees will be responsible for the investment of $51 billion. The investment problem, important as it is now, will certainly be one of the major problems facing the pension fund trustee by 1965 as the funds continue to increase.

At present, 85%-90% of all self-insured pension funds are controlied unilaterally by management in matters of investment. Even so, union officials and trustees presently have a voice in the investment management of some $2.7 billion. Furthermore, union leaders have expressed a strong desire for an increased voice in the investment management of those funds which are presently exclusively under company management. Walter Reuther recently stated during UAW-Ford negotiations that his membership desired some say over the investments made for their pension funds. This trend is growing rapidly.

Therefore, since the union officials are likely to assume increasing fiduciary responsibility, it has become imperative that they understand something of investment matters. More and more they will be called upon to select investment advisors, pass upon the advice they offer, and finally, judge whether the advice they have been receiving has been good or bad. For these reasons, plus the incontrovertable fact that a well invested portfolio reaps large rewards, the union official has a new job. The basis for this new task is money to be put to work profitably.

Yield Must Also Offset Inflation

Money is a commodity. Unlike other commodities such as wheat, barley or corn, money can multiply itself when stored as investments. This process of multiplication is not automatic, but it is available to all and can be most rewarding to those who best utilize the existing opportunities. For example, in the investment of a pension fund one-half of 1% increase in the annual yield over the existing return on the portfolio will mean a 12% increase in the fund over a 25-year period. From the point of view of the beneficiary, this increase will mean a higher standard of retirement living. Conversely, from the point of the contributing employer, this increase will mean lower long-term costs. It is obvious that increasing the earnings of a pension fund, within the limitations of safety, is of immense benefit to both sides of the collective bargaining table.

It should be immediately pointed out, however, that if the selection of investments were merely a matter of relative yield, then the problems of selection would be more a matter of comparative yield than of economic judgment. But this is not the case. The inflationary spiral and subsequent depreciation in the purchasing power of the dollar must strongly affect the investment selections of pension fund trustees. The cost of living has been growing at an annual rate of 2% per year since 1880. Stated another way, the dollar has lost half of its purchasing power since 1939; a third of its purchasing power since 1946. Thus, to fulfill the funds original "real" obligation established 20 or even 10 years ago, the trustees must find some way to compensate for this problem. Obviously, the additional money can only come from two sources:

(1) The employer will be constantly "hit" for increased contributions to compensate for the loss in purchasing power, thereby, increasing costs and either increasing prices or reducing profit margins. (At this point, it should be noted that "hitting" the employer has been a practice followed by most unions for many years. But in many industries, the cost for these fringe benefits have reached a maximum point as a percent of payroll. The employers can be expected to investigate carefully why the accumulated funds have not performed more effectively before they grant a further increase.)

(2) The fund can enlarge itself through superior investment results.

Even though this increase in the cost of living is the villain, the fact that pension fund trustees can identify it does not solve their problem. Something must be done to protect the beneficiary. On one hand, we can work within our economic framework to attempt to control the so-called inflationary spiral. But, in terms of the pension fund trustee, he must invest his money so that the fund will be able to compensate for this process of dollar depreciation. The answer can be found in some sort of balanced portfolio, one in which both fixed income securities (bonds, mortgages, etc.) and equity securities (common stocks) play important parts.

SEC Investment Table

The national trend is distinctly in this direction. Recently, the Securities and Exchange Commission published the investment patterns of self-insured pension funds and summarized them as follows:

Investment Diversification of Self-Insured Pension Funds for 1957

	Book Value	
	Million $	% of Total
Cash and deposits	368	1.9
U. S. Govt. Securities	2,032	10.5
Corporate Bonds	10,392	53.5
Own company	641	3.3
Other companies	9,751	50.5
Preferred Stock	611	3.2
Common Stock	4,770	24.8
Own company	584	3.0
Other companies	4,187	21.8
Mortgages	313	1.6
Other Assets	833	4.3
Total Assets	19,319	100.0

Average Yield — 3.84%.

Source: SEC.

I would like to point out that, as in most statistical studies, there are certain inclusions which distort these figures. For example, the study includes the Bell Telephone System pension funds which amounts to $2.6 billion, approximately 13% of the total reported funds. Since the Bell

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*From a talk by Mr. Heimann before the National Conference of Health, Welfare and Pension Fund Administrators and Trustees, New York City, Sept. 10, 1958.

We Cannot Afford Not to Have The Development Loan Fund

By DEMPSTER McINTOSH*

Managing Director, Development Loan Fund, Washington, D. C.

Head of our latest international lending organization, authorized last fall by Congress, describes the Development Loan Fund's scope, loan policies and criteria employed. Mr. McIntosh denies there is any conflict with existing internationally or U. S. A. chartered organizations, or with private investors. A review of activities leads to the prediction that the loan-pace will in a few months exhaust $700 million authorized to date and necessitate going to Congress for additional funds early in 1959. The managing director anticipates lending volume in future years at around $1 billion per year, and stresses that not capital alone but expanded trade and technical skills are necessary also to help underdeveloped areas.

The Development Loan Fund is an instrument of the foreign policy of the United States Government and is one of several agencies through which the United States extends economic assistance to underdeveloped countries throughout the free world. The extension of development assistance on the basis of self-help and mutual cooperation is the principal purpose for which the Development Loan Fund was created last year by our Congress.

Dempster McIntosh

When we talk about the less developed countries of the world, we talk about two-thirds of the earth's people. Typically, their annual product per person amounts to about $200 compared to about $2,300 or more in the United States and Western Europe. This low level of production means grinding poverty for most of these people. Their food in most cases is barely adequate to sustain life. Their life expectancy is roughly half that of the highly developed countries.

The disparity in living standards between these countries and our own is not being closed under present conditions. In fact, the United Nations estimates that the gap is actually widening.

Poverty, disease and hunger are no novelty to many of the peoples of Asia, Africa and some parts of Europe and Latin America. What is new, however, is the realization that relief is possible. For centuries most of the hundreds of millions of people who lived in poverty accepted their lot more or less uncomplainingly because they knew of no other way of life. Time more or less stood still for those people. But the old order has changed. Modern communications, the wider diffusion of education, contacts with people from more advanced countries and, in the case of some 20 countries, emergence from dependent status, have awakened the desire for a better life. People in underdeveloped countries throughout the world are now demanding improvement in their standard of living and they are determined to attain these improved conditions not in a few decades but practically overnight.

Meeting the Soviet Challenge

The Communists are not unmindful of the opportunities for penetration provided by what has been called the "revolution of rising expectations" in the underdeveloped areas. In three years, the Communists have extended to less developed nations nearly $1.7 billion in long-term, low-interest loans for economic development. Their trade agreements with the less developed countries have jumped from 49 in 1953 to 147 in 1957, a gain of nearly 100. Last year the trade turnover between the Soviet Bloc and these countries was 50% greater than it had been two years previous and it is continuing to increase. Some 2,300 Communist technicians are on the job in the less developed areas, and about 2,000 students from these countries are being trained in Moscow, Prague, and other centers of the Soviet Bloc.

The Soviet challenge is real and must be met. However, even if the Soviet threat were not present, the economic future and the economic betterment of the peoples in the underdeveloped countries of the world would still be a matter of great and urgent concern to the United States. We would unquestionably, under any circumstances want to identify ourselves with the aspirations of free peoples everywhere and we would want to help them preserve their political freedom and strengthen their economies.

It is this setting that has made the extension of development assistance abroad a cornerstone of United States policy toward the less developed areas of the world.

Poor Countries Do Not Buy

While our immediate objective is to help improve the economies of other countries and to raise the standard of living of their peoples on the basis of self-help and mutual cooperation, I do not need to point out the resulting advantages to the economy of the United States. The opportunities for American business which would be presented by a modest increase in the purchasing power of each person among the teeming millions of Asians and Africans are self-evident. There is no need to remind you that a country which is healthy economically is also a good buyer. Let me only mention the fact that Germany, in 1950, at an early stage of her startling recovery, purchased $439 million of goods, exclusive of foreign aid, from the United States in 1956. After the German economy had shown remarkable recuperative powers internally, private firms in the United States sold $750 million worth of goods to Germany.

In order to make any significant advancement economically, the less developed areas require capital for roads, dams, manufacturing plants, electric power plants, machine tools—a vast array of the means of production. The necessary resources must, however, come from abroad, just as a significant part of the capital which helped to expand this country during the nineteenth century came from the money markets of London and Continental Europe. For it is a fact of economic life that, when production is barely adequate to maintain life, little is available to divert into new investment.

The Matter of Private Capital

As the most industrialized nation of the world, with capital available for export, the United States has been thrust inevitably into the position of being the principal single source for the new investment capital which these countries need. This development capital to be sent abroad can be provided either by the government or by private enterprise. All of us are aware of the great advantage of private investment, and would hope that it would avail itself of as many opportunities as exist. The fact is, however, that private capital has not yet proved willing or able to do the job in the areas where poverty is the greatest, where the drive for growth is the strongest, and where the battle for men's minds is today at its fiercest.

Let me cite some facts. American private foreign investment (long-term) has reached the impressive total of about $33 billion; however, of total new investment in 1956, totalling about $2¾ billion, the less developed countries of Asia and Africa received only $342 million—about one dollar out of eight. Furthermore, the great bulk of this $342 million was concentrated in the oil producing countries of the Middle East, leaving very little for the rest of Asia and Africa.

These statistics mean that, while we must continue to explore every means both inside and outside the Government to promote a greater outflow of private investment, we face the necessity, until we succeed in this effort, of providing a substantial amount of capital by Governmental means.

It was with this background in mind that the Congress authorized the establishment of the Development Loan Fund in the fall of last year. In so doing, it made unmistakably clear its view that the growth of the less developed areas is clearly important to the United States.

It also indicated that, under the DLF, certain important changes in the manner of providing assistance were to take place: development assistance to be provided henceforth by the United States is to be on a loan basis; each development proposal is to be thoroughly appraised by the Development Loan Fund in terms of its technical and economic merits; and the DLF is to make loans covering specific projects and programs and is not to allocate its funds in advance on a country basis.

Repayment in Foreign Currencies

In order to enable the Fund to adapt its loan terms and conditions to the actual capabilities of its borrowers, the Congress authorized repayment in local currencies where warranted. It recognized that growth in the less developed areas is long-range by its nature when it made appropriated funds permanently available to the DLF; when it established the DLF as a revolving fund; and when it relieved the DLF of the requirement, common to other Mutual Security Programs, to obligate its funds by a specified time.

I should emphasize that the DLF is conceived of, and run as a supplementary source of capital. Congress has enjoined us from competing with private investment and other public lending institutions. We extend loans only when financing is not available from these other sources.

The original capital of the Development Loan Fund was three hundred million dollars. Recently, Congress appropriated four hundred million dollars additional so that the Fund is now operating with a total capital of seven hundred million dollars. This is a substantial sum, but in my opinion, the Fund will need large additional appropriations of capital in future years if it is to achieve

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*An address by Mr. McIntosh before The Overseas Automotive Club, New York City, Sept. 11, 1958.

The Operation and the Future Of the Export-Import Bank

By SAMUEL C. WAUGH*

President, Export-Import Bank of Washington

Concern is expressed about the possible effects upon the Export-Import Bank by its head in view of plans to support a Middle East Development Fund and a Latin American bank, proposals to increase the borrowing quotas of IMF-IBRD, and the creation of Development Loan Fund a year ago. To protect the Ex-Im Bank's future, Mr. Waugh suggests certain safeguards be imposed upon these organizations. The Bank's principal officer deplores the lack of understanding of Ex-Im Bank; recounts the institution's important changes and past 24 years of performance; and declares our foreign policy and our economy will be strengthened by maintaining a strong and active Bank.

From the Spring of 1953 until Oct. 1, 1955, in my capacity as an economic officer in the Department of State, I represented Secretary Dulles in an ex-officio capacity as a member of the Export-Import Bank's board of directors. However, it was not until the late Summer of 1955—after the announcement had been made that I was to go to the Bank as President and Chairman — that I realized how little was known even in official Washington as to the operations of the Bank, despite the fact that it had been in successful operation for more than 20 years.

Samuel C. Waugh

For example, an Under Secretary to a Cabinet officer congratulated me on my appointment, saying he was sorry I would have to leave Washington. It developed that he thought the Export-Import Bank was located in New York.

And despite all the work that has been done since to publicize the Bank throughout the United States during the past three years, there is still a wide lack of understanding as to the Bank's operations.

Within the last few months a Cabinet officer asked me, "When are you fellows going to stop *giving away* money?"

While there have been several structural changes in the legislation authorizing the Bank during the past 24 years, the basic purposes and concepts have never been altered: (1) the Bank should supplement and encourage and not compete with private capital, and (2) in the judgment of the Directors loans should offer reasonable assurance of repayment.

During the summer of 1954 the then Under-Secretary of the Treasury, Randolph Burgess, and I—in my capacity as Assistant Secretary of State—cooperated by request with Senator Capehart, who was determined that the Bank should be reorganized and revitalized. Senator Capehart, then serving as Chairman of the Senate Banking and Currency Committee, introduced legislation to provide for a five-man Board of Directors, a nine-man Advisory Committee, and an increase in the Bank's borrowing and lending authority.

Little did I then realize that in the next year I would be asked by President Eisenhower and Secretary Humphrey to go to the Bank. I accepted the appointment with the understanding that the activities of the Bank were to be stepped up in accordance with the United States policy decision announced by Secretary of the Treasury Humphrey at the Meeting of Ministers of Finance and Economy of The American States in Brazil in November, 1954.

The membership of the Board as now constituted was organized in October, 1955, and since then the Bank has been managed, to the present day, by the following five full-time Directors: Lynn U. Stambaugh, Hawthorne Arey, Vance Brand, George A. Blowers, and myself.

That same October, 1955, we had the first meeting of a new Advisory Committee which, under the revised legislation, is appointed by the Board of Directors upon the recommendation of the President of the Bank.

The custom has developed that the Directors, officers and division chiefs meet with the Advisory Committee for a day, discussing the Bank's record and problems. The Advisory Committee then meets in executive session and, when it deems necessary or advisable, the members delineate their findings in writing for the Directors.

The nine-man Advisory Committee serving at the close of the fiscal year 1958 was composed of the following:

John C. Virden, Sr., Chairman of the Board and President of the Eaton Manufacturing Company, Cleveland, Ohio, who served as Chairman of the Committee;

Wallace M. Davis, President of the Hibernia National Bank in New Orleans;

Bryant Essick, President of the Essick Manufacturing Company, Los Angeles;

Robert P. Furey, Vice-President of The Hanover Bank, New York City, past President Bankers Association for Foreign Trade;

Charles A. Meyer, Vice-President for Latin American Operations of Sears, Roebuck and Co., Chicago;

Michael Ross, International Affairs Department of the AFL-CIO, Washington;

Charles B. Shuman, President of the American Farm Bureau Federation, Chicago;

T. Graydon Upton, Vice-President of The Philadelphia National Bank, Philadelphia, President Bankers Association for Foreign Trade; and

George W. Wolf, Chairman of the National Foreign Trade Council, Inc., New York City.

I have gone into such detail with reference to the Bank's Advisory Committee because I want to refer to the first resolution that came out of their first meeting held Oct. 18, 1955: "(1) The Export-Import Bank should endeavor to arrange for better public information in order that there might be a better understanding of its policies, functions and operations." Following this meeting there was employed as a Special Assistant to the Board an experienced newspaperman to handle the Bank's publicity, news releases, and monthly, annual and semi-annual reports, all of which had previously been handled by the Secretary's Office. And today,

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*An address by Mr. Waugh before the Export Managers Club, New York City, Sept. 9, 1958.

THE MARKET . . . AND YOU

By WALLACE STREETE

Stocks continued to bull their way uphill, troubled only by occasional mild profit-taking this week. Leadership rotated so that when one good-acting group paused for a rest, another was able to keep the forward momentum going.

With the industrial average in record high territory where no chart work of the past can indicate probable tops or resistance levels, the market students were watching the various technical aspects of the market for a clue to the future. And so far few danger signs are in evidence.

The odd-lot traders have switched rather obviously to the selling side—but this is only one of the items being watched. Short sellers so far have whittled their positions only moderately although the general rule is that wide-spread covering should signal that a peak is being reached.

Volume considerations so far have been neutral. The normal expectation is that volume should increase on sell-offs if the market is about to top out but so far there is no sign that this is the pattern. What selling comes in seems to be absorbed readily without making more than token dents in the issues involved, and two definite days of declines haven't been put together since the middle of August.

Emphasis on "Blue Chips"

Even in the case of volume leadership—and the classical approach is that the final stage of a bull swing comes when the play is concentrated in the low-priced cats and dogs—the evidence is a bit mixed. Benguet Mining, Graham Paige, Studebaker and others of the same type have been prominent on high turnover but at the same time the investment demand has centered obviously on such blue chip specimens as du Pont, U. S. Steel and, occasionally, American Telephone.

United Carbon was also in this week's spotlight with little of specific reason for its sudden fame. The company is a major producer of carbon black which is important mostly to the rubber industry. However, United Carbon is even more prominent in the gas and oil business and gets the greater part of its income from this source. The strength in the issue, moreover, was in the face of a still definitely laggard interest in the oils generally.

The extent of United Carbon's diversification is best illustrated by the fact that sales doubled in the last decade but the $33 million gain included only a shade less than $6 million from the increase in carbon black sales.

Back in Favor

A couple of issues that were thumbed down not too long ago were back in favor with some of the services, notably General Motors after it had succeeded in putting a couple of new highs appearances together. The company has done a superior job of holding up its profits, at least to where the dividend is covered, while profits all but disappeared from Ford's statements and Chrysler dipped heavily into the red ink. Until its late strength, the issue was available at a 4% yield which is satisfactory for such a well-known organization in so much investment demand. Also getting a bit of favorable attention for a change was Olin Mathieson which ran into rough enough going so its dividend had to halved.

The preference for Olin was obviously a bit in advance of any hopes for dramatic improvement in the firm's earnings. Various development expenses are to be charged off in the September quarter, some estimates running as high as $10 million, which all but guarantees that its earnings comparisons are going to be dour both for the quarter and for the full year. The stock is a good illustration of the market's capacity for anticipating unfavorable events. In advance of the dividend slash, the issue sold down to $31.50 but has not been below $35 since the bad news came along. And this week it was toying with the $40 level without any immediate hopes that the dividend would be restored to its former level.

"Jet Age" Romance

Some of the airline stocks were able to respond to the glowing accounts of the "Jet Age" which is about to dawn for a couple of the domestic companies. It mattered little that the British were able to beat the American lines to the punch in jet service. Pan American World Airways, which starts off jet service later this month, was able to work to its highest posting in a dozen years after it had held at a price where its dividend offered a 4% return. The enthusiasm overlooked the possibilities that Pan Am will not be able to match last year's per share earnings despite the romance of the jet age.

Food Group Lukewarm

The food group had simmered down from its recent popularity, but even the general strength had failed to spread to Consolidated Foods which had been hovering in an area where it offers around 5% on its covered dividend.

Consolidated Foods is no stranger to market neglect. In the last half dozen years its annual wanderings have been in a two to three point range for the entire year and its concession to the food favoritism this year is a range of not quite 10 points. The company was able to shrug off the recession well in its last fiscal year with a comfortable increase in operating profits on a 6% sales increase. It is one of the more widely diversified outfits in a field that specializes in diversification.

Trend Victim

The high yields continued to be offered by the quality items in the rail section where investment interest centers occasionally, but only momentarily. Southern Pacific with a yield of around 5½% would seem to be the case of an outfit suffering for the faults of others. Its earnings have been maintained well despite a slight dip in gross income. More importantly, the earnings haven't been maintained at the expense of maintenance which can be deferred but has a habit of getting more expensive when it is deferred.

Southern Pacific is also something of a diversification note what with its large interests running into the millions of acres of land in Nevada and California. The oil and gas potential is an unknown factor at present, although comprehensive studies are underway to evaluate the holdings and could add a touch of romance to the issue. The company was the first to construct pipe lines mostly along its right of way and the original one was doubled in capacity and a new one built as a broad hint that the project was a successful one.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Wenzel, Phila. Mgr. for Francis I. du Pont & Co.

PHILADELPHIA, Pa.—Albert A. R. Wenzel has been appointed Manager of the Philadelphia office of Francis I. duPont & Co., Robinson Building, it was announced by Edmond duPont and A. Rhett duPont, senior partners.

Mr. Wenzel has been active in the securities business during the past 19 years. He is a Governor of the Philadelphia Securities Association. During World War II, he served in the Navy.

Andersen, Randolph Branches

SALT LAKE CITY, Utah—Andersen, Randolph & Co., Inc. has opened seven branch offices in Wyoming, in Casper, Cheyenne, Cody, Laramie, Rawlins, Riverton and Thermopolis.

W. S. Gilbreath With First of Michigan

The First of Michigan Corporation, 2 Wall Street, New York City, has announced that William S. Gilbreath has joined the firm's New York office. Mr. Gilbreath will be in the Sales Department in an institutional capacity. He was formerly with Blyth & Co. Inc., and Burroughs Corporation.

New Series of Free Pension Seminars

The Pension Planning Company will hold a series of free one day seminars on pension and profit sharing plans on Oct. 24 in Chicago; Oct. 29 in New York City; Nov. 13, in Memphis; and on Dec. 5 in New York City.

Arthur Wiesenberger To Admit W. M. LeFevre

William M. Le Fevre will acquire a membership in the New York Stock Exchange, and on Oct. 16, will become a partner in Arthur Wiesenberger & Co., 61 Broadway, New York City, members of the New York Stock Exchange.

New Coast Exch. Member

SAN FRANCISCO, California—George W. Davis, Davis, Skaggs & Co. Vice-Chairman of the Board, announced the election to membership in the Pacific Coast Stock Exchange through the San Francisco Division of Donn C. Douglass, effective Oct. 6, 1958.

Mr. Douglass acquired his membership from N. Connor Templeton, a general partner in the firm of Mitchum, Jones & Templeton. This firm still retains membership in the Exchange through the Los Angeles Division.

The Exchange is not new to Mr. Douglass since he was a Member and Specialist Odd Lot Dealer for two and a half years. Mr. Douglass expects to confine his activities exclusively to the Floor and will not handle any public accounts.

With Bennett-Manning

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Aurelio R. D'Antonio, Amos C. Larsen, Harold M. Seeler, and Herbert Tepper are now connected with Bennett-Manning Co., 8417 Beverly Boulevard.

Top Analysts to Participate in Investment Series

The annual fall series of money matinees by the Federation of Women Shareholders and the Public Foundation of Education for Women will be held on five consecutive Tuesdays, starting Oct. 14 through Nov. 11 in the Crystal Room of the Plaza Hotel, New York City. Ten top analysts will participate. The series has been built around the questions most often asked by women. This concerns inflation and securities, price versus value, how government policies, money rates affect security prices; how war or peace "scares," the economic race with Russia and new world resources will affect their investments, trading versus investing and the outlook for business.

Wilma Soss

Among those participating will be: Jackson Martindell, President, American Institute of Management; Patrick de Turo, Professor of Finance, St. Francis College; Edward Tabell, Walston & Co.; Robert S. Burns, bank stock analyst; Walter K. Gutmann, Shields & Co.; Donald H. Randell, Vice-President, Mutual Managament Co.; Roy Neuberger, Neuberger & Berman; Lewis D. Gilbert, author of "Dividends and Democracy"; and Sidney Rheinstein, specialist, New York Stock Exchange.

Moderators will be A. Wilfred May, Executive Editor, *Commercial and Financial Chronicle*, and Wilma Soss, President of the Federation of Women Shareholders and NBC radio analyst of "Pocketbook News."

As an innovation the series has been scheduled on Election and Armistice Day to encourage "togetherness" in finance so more husbands and businessmen can attend.

Inv. Ass'n of New York Annual Dinner

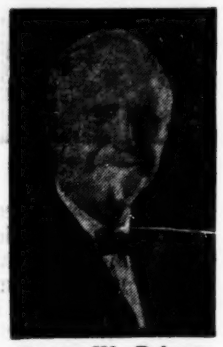
The Investment Association of New York has announced that their annual dinner will be held Dec. 10 at the Waldorf Astoria.

Waterfront Properties Offer The Best Investment

By ROGER W. BABSON

Mr. Babson returns to his previous recommendation made regarding the general desirability of waterfront property as a sure way to make money with real security. He adds dredged swamps and useless beds of water, and watershed land to the waterfront category.

My recent column on the value of waterfront property stirred up so much interest that I have written two more columns on the subject so as to have them published while I am out on the ocean "surrounded by ocean front." Let me repeat, however, that waterfront property refers not only to land bordering the ocean; but also to land bordering rivers, lakes, and other water bodies where you can enjoy an outboard motor. This is property which will be more valuable 10 years, 30 years, 50 years, or a 100 years from now. There will be little more natural waterfront than now exists.



Roger W. Babson

This is the surest way an investor can make money with real security, assuming he is able to take care of the taxes on said land. Of course, the taxes can usually be added to the original cost so that the investor gets his tax money back when he sells the property. It, however, is better if he can rent the land, or cut wood from it, or otherwise get income from it each year to pay the taxes. A good tax accountant or tax lawyer will show you how you can also set the property up so that "Uncle Sam" will pay all or half of these taxes!

Illustrations of Possible Profits

A correspondent who paid $12,000 for some land has recently been able to sell the same to a cement company for $150,000. This property gave the cement company a much-needed shipping point. A granddaughter of mine who paid $7.20 an acre of 1,000 acres has been offered $100 an acre for that land because it borders a lake. Many land owners in Florida have been willing to pay $500 an acre for small strips to enable their cattle to get to water. The builder of a motel on the coast of Massachusetts has paid $50,000 for land which the seller had bought for only $1,000.

The builder of a supermarket has paid a fabulous price for the land between a main highway and a lake which is surrounded by numerous cottages. This location enables the supermarket to serve people who come in motor boats as well as those who come in automobiles. A New England lime company recently paid a high price for some shore property in order to get access to the water. In addition to the above instances, there are cases where the land itself, aside from its location, has become valuable due to the discovery of gravel, lime, bauxite, or other minerals—yes and for timber.

Importance of Dredging

Much money has been made by dredging swamp and other now useless land. The value of dredging has not yet been recognized in most states other than Florida. It is usually most profitable to dredge through a swampland which is unfit for building. A dredger scoop or a "sucker" takes dirt from the edge of the river or creek and throws it up onto the marshland, making beautiful building sites. In many cases, this dredging also makes a small harbor or marina out of a useless bed of water. Every state probably has hundreds of such opportunities which are now neglected. Such waterfront would be in addition to the natural waterfronts, of which, as I have previously stated, there will never be more than exists now. The dredging of lakes and rivers would probably not add more than 10% of the existing waterfronts which are now usable.

Land which some day will be needed for watershed purposes could become every valuable. As the population increases, as industries grow, and as people become more accustomed to comforts, the demand for water will increase everywhere. This will apply not only to cities, but also to small towns. In many cases, the municipal water supply depends upon reservoirs with their surrounding watersheds. These watersheds must constantly become more valuable. Even those cities which drill wells for their municipal water supplies are finding that wells drilled near existing fresh water bodies are the most prolific. Of course, my reference here applies only to rivers and lakes—not to sea water, which is salty.

NEWS ABOUT BANKS AND BANKERS

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED
CAPITALIZATIONS

The appointment of Franklin Thompson as an Assistant Treasurer of **Manufacturers Trust Co., New York,** is announced by Horace C. Flanigan, Chairman of the Board.

Mr. Thompson joined the bank in 1935 and has served in the Personal Loan Department, the International Banking Department and the Central Credit Department. He was appointed an Assistant Manager in 1953 and an Assistant Secretary in 1955.

At present, Mr. Thompson is assigned to the Southwest Division of the bank's Domestic Department, 44 Wall Street.

* * *

MANUFACTURERS TRUST CO., N. Y.

	Sept. 30, '58 $	June 30, '58 $
Total resources	3,332,749,463	3,479,602,031
Deposits	2,936,899,512	3,085,092,424
Cash and due from banks	764,668,535	811,773,366
U. S. Govt. security holdgs.	872,826,033	881,730,311
Loans & discts.	1,208,444,438	1,346,429,346
Undiv. profits	68,007,458	65,781,116

* * *

THE CHASE MANHATTAN BANK, N. Y.

	Sept. 30, '58 $	June 30, '58 $
Total resources	7,836,598,095	8,402,416,987
Deposits	6,874,519,196	7,438,170,443
Cash and due from banks	1,760,474,493	1,952,817,255
U. S. Govt. security holdgs.	1,524,645,491	1,881,410,380
Loans & discts.	3,552,711,759	3,588,362,258
Undiv. profits	111,408,619	106,019,823

* * *

Miss Marian A. Smith has been appointed Assistant Secretary, Metropolitan Division of **Chemical Corn Exchange Bank, New York,** it was announced on Oct. 7 by Harold H. Helm, Chairman. James P. Leonard, Lester Nadel, H. Raymond Norton and Alexander Turovetz, Jr. have been appointed Assistant Managers, Metropolitan Division, and William G. Rudolph has been named Assistant Manager, International Division.

* * *

CHEMICAL CORN EXCHANGE BANK OF NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	3,184,890,779	3,493,520,161
Deposits	2,787,584,766	3,086,154,229
Cash and due from banks	613,977,061	785,702,794
U. S. Govt. security holdgs.	572,098,141	655,794,931
Loans & discts.	1,470,646,926	1,527,904,212
Undiv. profits	42,829,445	41,527,218

* * *

BANKERS TRUST COMPANY, NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	2,891,024,338	3,178,557,919
Deposits	2,523,564,896	2,819,846,073
Cash and due from banks	726,794,348	813,768,636
U. S. Govt. security holdgs.	557,042,962	723,114,563
Loans & discts.	1,384,340,859	1,435,606,305
Undiv. profts	64,835,958	62,955,677

* * *

CITY BANK FARMERS TRUST COMPANY, NEW YORK

	Sept. 30,'58 $	June 30,'58 $
Total resoures	160,843,335	160,729,988
Deposits	118,407,726	118,529,624
Cash and due from banks	38,134,678	41,086,704
U. S. Govt. security holdings	83,320,473	78,035,796
Loans & discounts	2,993,278	5,327,114
Undivided profits	14,065,995	13,998,127

* * *

THE FIRST NATIONAL CITY BANK OF NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	7,686,322,604	8,056,432,963
Deposits	6,613,863,431	7,132,710,136
Cash and due from banks	1,698,659,745	1,825,609,083
U. S. Govt. security holdgs.	1,559,388,390	1,500,873,223
Loans & discts.	3,639,150,411	3,965,541,628
Undiv. profits	88,837,494	87,349,788

* * *

GUARANTY TRUST CO. OF NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	3,013,934,008	3,225,741,564
Deposits	2,453,287,643	2,685,890,156
Cash and due from banks	641,466,137	518,168,528
U. S. Govt. security holdgs.	538,456,188	880,512,700
Loans & discts.	1,544,274,041	1,583,717,086
Undiv. profits	101,358,657	99,344,009

J. P. MORGAN & CO., INCORPORATED, NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	918,535,467	1,075,917,654
Deposits	790,796,637	951,393,696
Cash and due from banks	186,615,861	309,299,943
U. S. Govt security holdgs.	246,582,012	261,421,835
Loans & discts.	362,309,060	384,940,821
Undiv. profits	17,158,722	16,078,438

* * *

THE NEW YORK TRUST CO., NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	852,675,854	948,241,425
Deposits	740,844,511	842,184,737
Cash & due from banks	205,510,893	273,905,202
U. S. Govt. security holdings	183,967,922	169,357,309
Loans & discounts	382,620,610	436,275,258
Undivided profits	14,212,464	13,421,401

* * *

THE BANK OF NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	520,287,015	619,985,553
Deposits	449,288,721	554,705,110
Cash & due from banks	123,399,116	219,036,038
U. S. Govt. security holdings	94,563,732	101,758,167
Loans & discounts	250,630,135	255,110,437
Undivided profits	5,839,321	5,579,616

* * *

THE STERLING NATIONAL BANK & TRUST CO., NEW YORK

	Sept. 30, '58 $	June 30, '58 $
Total resources	155,215,371	150,428,220
Deposits	139,870,640	135,501,375
Cash & due from banks	30,920,932	31,474,715
U. S. Govt. security holdings	39,377,719	39,388,718
Loans & discounts	81,134,504	76,948,793
Undivided profits	1,733,859	1,703,126

* * *

THE CLINTON TRUST CO., NEW YORK

	Sept. 30, '58	June 30, '58
Total resources	$42,646,632	$39,532,133
Deposits	39,391,798	36,345,698
Cash & due from banks	8,351,489	8,598,780
U. S. Govt. security holdings	17,359,980	14,953,983
Loans & discounts	13,527,903	12,591,754
Surplus and undivided profits	1,368,242	1,328,470

* * *

Plan of Merger together with Certificate of Compliance of the respective corporations providing for the merger of **The Citizens National Bank of Waverly, N. Y.,** into **Marine Midland Trust Company of Southern New York,** under the title, **Marine Midland Trust Company of Southern New York,** has been filed with the New York State Banking Department.

* * *

Chester B. Lord, honorary Board Chairman of the **First-City National Bank of Binghamton, N. Y.,** died Oct. 2. His age was 82. Mr. Lord had been President of the bank from 1928 until his retirement in 1955.

* * *

Plan of Merger together with Certificate of Compliance of the respective corporations providing for the merger of **State Bank of Pearl River, N. Y.,** into **Nyack Bank and Trust Company, N. Y.,** under the title **Marine Midland Trust Company of Rockland County** has been filed with the New York State Banking Department.

* * *

Marine Midland Trust Company of Southern New York, Elmira, N. Y., was given approval to increase its capital stock from $2,500,000 consisting of 125,000 shares of the par value of $20 each, to $2,640,000 consisting of 132,000 shares of the same par value.

* * *

Nyack Bank and Trust Company, Nyack, N. Y., received approval to increase its capital stock from $400,000 cosisting of 4,000 shares of the par value of $100 each, to $750,000 consisting of 150,000 shares of the par value of $5 each.

* * *

Mr. Edward L. Clifford, President of the **Worcester County Trust Company, Worcester, Mass.,** announced on Oct. 7 that Harry R. McIntosh, after 41 years of service with the bank, has retired.

Mr. McIntosh started his banking career with the **North Adams Trust Company** in 1913 and came to the Worcester County Trust Company in 1917 as a clerk. During his 41 years in the bank Mr. McIntosh has been Chief Clerk, Assistant to the President, and Vice-President and Treasurer. In May, 1944, he was also elected to the bank's board of directors, in which capacity he will continue to serve.

* * *

Stockholders of **The National State Bank of Newark, N. J.,** and the **Federal Trust Company of Newark,** at special meetings held in the respective banking quarters have ratified by a wide margin a previously proposed agreement whereby, subject to final approval of the Comptroller of the Currency, the Federal Trust Company will be merged into The National State Bank with stockholders of Federal Trust receiving $51 in cash for each share held.

On completion of the merger, expected to be as of the close of business Oct. 10, The National State Bank will have a total of 21 offices.

Previous article appeared in the column on Aug. 21, page 718.

* * *

Raymond C. Kolb and Dale H. Osborne have been appointed Vice-Presidents in the Operating Department of **Mellon National Bank and Trust Company,** Frank R. Denton, Vice Chairman of the bank, announced.

Mr. Kolb joined Mellon Bank in 1953 and was assigned to the Methods Division. In July 1954, he was promoted to Assistant Cashier in the Administrative Division and in April 1956, was appointed Assistant Vice-President in charge of check processing and branch operations for the bank.

Mr. Osborne started his banking career in 1928 with the **West End Bank.** From 1920 until 1923 he was with the Pittsburgh Branch — Federal Reserve Bank and joined **The Union Trust Company of Pittsburgh** in May 1923. He joined Mellon Bank in 1946, at the time of the merger of The Union Trust Company and Mellon National Bank. In June 1949, he was appointed Assistant Cashier in the Operating Department and in July 1956, Assistant Vice-President.

* * *

Society for Savings and **Society National Bank, Cleveland, Ohio,** opened their 11th office, Oct. 6, in the Fairview Park Shopping Center. In a five year period Society opened 10 branches throughout Greater Cleveland.

It was under the leadership of Mervin B. France, President of Society for Savings, one of the nation's oldest and largest savings banks, that Society National Bank, a wholly owned subsidiary, was formed. Mr. France is Chairman of the Board of Society National Bank, Director of Society National Bank, and a Trustee of Society for Savings. His first experience with finance was in Canton, Ohio. In 1927, he became Ohio representative of the **Union Trust Co., Pittsburgh, Pa.** Mr. France came to the Society in 1934 to head the investment and collateral loan departments. In 1941, he was elected First Vice-President and became President in 1947.

William Harvey Kyle, President of Society National Bank, began his banking experience in Cleveland. In 1945, Mr. Kyle was elected Vice-President of **Bankers Trust Company in New York.** He came to Society National in 1957 to take up his new duties as President and that time was also elected a Trustee of Society for Savings.

Donald W. Scherbarth, branch Manager of Society's new Fair-

view Park Branch, joined Society in 1954, with more than 20 years of experience in business and finance. Mr. Scherbarth began his banking career in 1934. In 1946 he joined the **Bank of Ohio** and was Assistant Manager of the Lakewood Branch, Bank of Ohio, and retained this position with Society. In 1957 Mr. Scherbarth assumed the duties and responsibilities of Manager of Society's new Parma Heights Branch. He is an Assistant Treasurer of Society for Savings and Assistant Cashier of Society National Bank.

* * *

The common capital stock of **The South Shore National Bank of Chicago, Ill.** was increased from $750,000 to $1,000,000 by a stock dividend, effective Sep. 22. (Number of shares outstanding—10,000 shares, par value $100.)

* * *

The National Bank of Harvey, Harvey, Ill., changed its title to **First National Bank in Harvey**, effective Oct. 1.

* * *

The Dakota National Bank of Bismarck, N. D. increased its common capital stock from $200,000 to $500,000 by sale of new stock, effective Sept 24. (Number of shares outstanding—5,000 shares, par value $100.)

* * *

The Fourth National Bank in Wichita, Kan., increased its common capital stock from $4,000,000 to $5,000,000 by a stock dividend, effective Sept. 23. (Number of shares outstanding—250,000 shares, par value $20.)

* * *

By a stock dividend, the common capital stock of **The First National Bank of McMinnville, Tenn.** was increased from $125,000 to $250,000, effective Sept. 22. (Number of shares outstanding—25,000 shares, par value $10.)

* * *

The common capital stock of **The First National Bank in Fort Myers, Fla.**, was increased from $500,000 to $650,000 by a stock dividend and from $650,000 to $800,000 by the sale of new stock, effective Sept. 26. (Number of shares outstanding—8,000 shares, par value $100.)

* * *

By a stock dividend **The First National Bank of Pecos, Texas**, increased its common capital stock from $210,000 to $250,000, effective Sept. 24. (Number of shares outstanding — 10,000 shares, par value $25.)

* * *

F. William Nicks, Vice-President and General Manager of the **Bank of Nova Scotia, Canada**, announced the introduction of the first complete consumer loan and installment credit service ever offered by a Canadian bank. It will be known as the Scotia Plan.

Mr. Nicks said in making the announcement, "we have given considerable study to the need, in a growing economy like ours, for an expanded consumer credit service. As a result we are introducing the Scotia Plan. Wise borrowing is part of good money management; and this new program, the most comprehensive of its kind to be offered by a Canadian bank, will make all low cost loans available for any worthwhile purpose."

The Scotia Plan includes three types of loans—on signature, on automobiles (through dealers or direct with the bank), and on home furnishings. It was not until the last revision of the Bank Act, in 1954, that the chartered banks of Canada were permitted to make loans against chattel mortgages.

Scotia Plan loans will be made at any of the bank's 500 branches in Canada after Oct. 15. The loans will be life insured at no cost to the borrower.

Samuel L. Ross Pres. Amer. Trusteed Funds

Samuel L. Ross has been elected President of American Trusteed Funds, Inc., sponsor of Lexington Trust Fund shares. He was also elected as one of the three investment advisors of Lexington Trust Fund, replacing George M. Field in both capacities.

Mr. Ross has a specialized background in the mutual fund industry. In 1948, he was appointed Regional Director of Renyx, Field & Company, the principal distributor of Lexington Trust Fund shares, Corporate Leaders Trust Fund certificates and Lexington Venture Fund. Since 1956 he has served as Chairman of the Executive Committee of Renyx, Field & Company.

Walter B. Dunkle Now With M. M. Freeman

PHILADELPHIA, Pa. — M. M. Freeman & Co., Inc., Philadelphia National Bank Building, announced that Walter B. Dunkle has become associated with them as a registered representative. He was formerly an officer of Arthur L. Wright & Co., Inc.

W. D. Pettit Opens

PITTSBURGH, Pa.—William D. Pettit has opened offices in the Keystone Building, to engage in a securities business. He was formerly with A. E. Masten & Company and Arthurs, Lestrange & Co.

Seymour Blauner Co. Formed in New York

Seymour Blauner Co. has been formed with offices at 111 Broadway, New York City. Seymour Blauner, who has been in Wall Street for many years, is a principal of the firm.

Associated with the firm as cashier and trader is Lester Gannon, formerly with Anderson, Randolph & Co. and Peter Morgan & Co.

Metropolitan Inv. & Trad.

NEW YORK CITY—Morris Giloni is conducting a securities business from offices at 156 West 44th Street, New York City, under the firm name of Metropolitan Investing & Trading Co.

N. Y. Cotton Exchange Promotes J. Scanlan

The Board of Managers of the New York Cotton Exchange have named John J. Scanlan Administrative Vice-President of the Exchange.

In addition to assuming his new duties, Mr. Scanlan will continue as Secretary of the Exchange.

Mr. Scanlan's association with the Exchange began in 1945 as Assistant Secretary. He became Secretary in 1946.

Sanford Adds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Larry S. Goldberg is now with Sanford & Company, 235 Montgomery Street.

The Over-the-Counter Market—Where All Securities Can Be Traded and Most of Them Are

Continued from first page

into maximum activity necessary to trade hundreds of millions in bonds each day, and to maintain an orderly market in these, the world's highest grade securities. In retrospect, this vast Over-the-Counter Market in governments turned in a magnificent performance.

As a matter of record, the sharp rise in interest rates in 1958 has created one of the most active bond markets ever and set the stage where for the fourth time in this century the yields on high grade bonds and on blue chip stocks have come together. This phenomenon has been variously interpreted as either a harbinger of inflation or a signal for some decline in share prices. It has required that the Over-the-Counter Market bond trader be unusually alert, nimble, and informed, to sensitively reflect, in his bid and asked prices, the swift changes in market sentiment, and the unusual velocity and volume of bond trading—and to keep from losing his shirt! This gyrating bond market, too, has tested to the full the acumen and judgment of those firms and syndicates which buy and distribute municipal bonds (entirely in the Over-the-Counter Market). One too optimistic bid can lead to big bank loans and partners' groans!

Exclusive Province of Over-the-Counter Market

To the billions in municipal securities, traded only in the Over-the-Counter Market, embracing everything from state and city issues down to the smallest road or school district, something new will shortly be added—the state bonds of Alaska. No doubt, too, a broad list of political subdivisional obligations will emerge as our 49th state builds the water systems, roads, bridges, schools and sewers required as homesteaders swarm out over some of the 103 million acres of real estate to which Alaska, the state, may legally claim title sometime in December.

It is not sufficiently borne in mind that every new issue from triple A bonds down to the sketchiest penny stock of a long shot mineral enterprise, is launched in the market. Of such new corporate offerings, the major issue of the year was $300,000,000 of U. S. Steel debentures, eagerly snapped up, in the Over-the-Counter Market.

Dual Role of the "Counter" Market

There is, of course, the continuous flow onto the major exchanges of issues which have spent from weeks to many years in the Over-the-Counter Market. The most heavily traded issue on the New York Stock Exchange for the first six months of 1958 was Royal Dutch, which spent years over-the-counter, prior to listing. Other more recent over-the-counter graduates include Carter Products; Iowa Power & Light Co.; Reichold Chemical Co.; Lykes Bros. Steamship; and Tennessee Gas Transmission.

The Over-the-Counter Market serves equally well at the other end of the listing ladder. When, for any reason, except corporate liquidation or merger, a stock is removed from exchange listing, an Over-the-Counter Market in the issue will usually begin forthwith. The extraordinarily volatile E. L. Bruce Co. common is an example of this. After it had been removed from exchange trading, the shareholders were still not to be denied a marketplace for buying or selling their certificates; they found that marketplace over-the-counter.

Mutual funds are dedicated, for the most part, to the large scale purchase of equities; and it is only logical that they turn to the Over-the-Counter Market for purchase (or sale) of blocks of common or preferred shares. Through this technique, large volume transactions can be arranged without major price disturbance of daily trading in normal quantities. Over 90% of all preferred stock issues are dealt in the Over-the-Counter Market.

A Well-Regulated Market

In the popular mind, there still seems to remain some identification of the Over-the-Counter Market with low priced shares of dubious quality or questionable sponsorship. Since the Over-the-Counter Market is all-inclusive, with its function being to supply orderly trading wherever and whenever there is a sufficient number of interested buyers or sellers of securities in a legitimate corporate entity, occasionally an issue representing thin assets, meager or non-existent earning power, and great risk is launched, and, in due course, traded.

Now with over 40,000 issues on its trading roster, over-the-counter, it is impossible instantly to detect a flimsy or even fraudulent security that acquires a trading market. Through official agencies, however, the National Association of Securities Dealers, and the Securities and Exchange Commission, broker-dealers are supervised and standards of solvency and integrity insisted upon and issues tainted with misrepresentation or outright fraud grounded. Unfortunately, however, you cannot legislate against cupidity and stupidity, and the best protection for any investor in either high or low priced securities is investigation of the security before purchasing and ascertaining in advance the reputation of the firm he is to deal with, in respect to its integrity, solvency and competence.

Sole Market for Bank and Insurance Stocks

Among stocks in the Over-the-Counter Market, there has been great activity in bank shares. Never before have these equities been so broadly distributed or so many new subscription rights given to shareholders—yet not a single share of the capital stock of any operating U. S. bank is listed on an exchange. About 14,000 issues of bank stocks to choose from—all in the Over-the-Counter Market!

Life insurance stocks, also a unique over-the-counter attraction, after racking up dazzling market gains in the 1946-56 decade have sort of plateaued this year, but there is more investor interest in them than ever before and the total of life insurance in force will again in 1958 reach a new high—as will net earnings of most life companies.

Fire insurance and casualty companies which

have had rather unsatisfactory underwriting experience in recent years, have by rate increases, now improved profitability, and shares in this market sector have strengthened. The most important new trend here has been the entry by casualty or fire companies into the life insurance business. Hartford Fire has been negotiating with Columbian Life about a merger; Springfield Fire and Monarch Life have merged; Federal Insurance bought out Colonial Life; and Security of New Haven has entered the life business. All of these are eminent Over-the-Counter Market enterprises.

If it is not your wish to clutter up your safe deposit box with large numbers of shares, then there are some high priced over-the-counter beauties you might want to look at : Upjohn @ $1,450 a share; Christiana Securities @ $13,000; or Los Angeles Turf Club at a paltry $80,000 a copy!

Source of Under-Valued Securities

In the eternal search for shrewd investors for undervalued securities, the Over-the-Counter Market is a favorite hunting ground. In electronics, buyers here have been handsomely rewarded by the market performance of Ampex in electric tapes (recently split 2½-for-1); Epsco Inc., D. S. Kennedy (radar systems); and Electronic Associates. American Express, largest service company in the world, has done well with it travelers cheques and is now branching out into a world-wide credit card service. Two of the biggest inland barge lines, American Commercial Barge and Mississippi Valley Barge Line, have moved forward in earnings; and in share price, over-the-counter. Whether you're interested in electric, water, gas or telephone utilities, there are dozens of worthy equities to select from in this market.

Book publishing is a feature attraction in the Over-the-Counter Market, led by Macmillan (the world's largest); International Textbook (shepherd of International Correspondence Courses); Grolier Society; and in magazines, Meredith Publishing and Time, Inc. The biggest in brewing, beryllium, board lumber, balance sheet credits, bangtails; important companies in petroleum, pipe lines, plastics, pharmaceuticals, potash; filters foods, fire extinguishers, foundations, films and family finance—shares in all of these firms are waiting for your inspection or purchase in this, the world's biggest market.

Mutual funds have a very special sort of Over-the-Counter Market since the bid price is customarily the asset value (at a given market moment) at which price the sponsoring fund will repurchase; and the offering price is either net or plus a stated commission added to the asset value above cited. Mutual funds are our fastest growing financial institution with total assets now in the order of $11 billion.

Earlier in the year, two brand new funds, assembling over $300 million in capital resources, were offered to an eager public—over-the-counter of course.

Long List of Consecutive Cash Dividend Payers

More important and impressive, however, than all of the foregoing swift panorama of the Over-the-Counter Market is the truly remarkable dividend record of hundreds of unlisted issues. Just look at the following table for proof that over-the-counter securities include some of the most dependable long-term investments — bonds, preferred and common stocks—you could possibly own.

Difference Between Listed and Over-the-Counter Trading

Following the tables appearing hereunder, we present a discourse on the difference between the listed and Over-the-Counter Market, for the benefit of those who are not conversant with how the Over-the-Counter Market functions.

TABLE I
OVER-THE-COUNTER
Consecutive Cash
DIVIDEND PAYERS
for
10 to 174 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Abbotts Dairies, Inc. — Dairy products	31	1.00	41½	2.4
Abercrombie & Fitch — Retail sporting goods	20	2.00	39	5.1
Abrasive & Metal Products — Abrasives	19	0.25	3⅛	8.0
Acme Electric Corp. — Mfg. transformers for electronic and electrical industries	13	0.25	8⅛	3.1
Acushnet Process Co. — Molded rubber products and Golf balls	*21	†0.98	22	4.5
Aeolian American Corp.	a18	0.22	5½	4.0
Aetna Casualty & Surety Co. (Hartford) — Casualty, surety, fire and marine insurance	50	2.40	132	1.8
Aetna Insurance (Hartford) — Fire, marine, casualty and surety business	86	2.60	69	3.8
Aetna Life Insurance Co. (Hartford) — Life, group, accident, health	24	3.40	180½	1.9
Agricultural Insurance Co. — Diversified insurance	94	1.60	28½	5.6
Aircraft Radio Corp. — Communication and navigation equipment and accessories	24	0.70	19¾	3.5
Akron, Canton & Youngstown Railroad Co. — Ohio carrier	12	1.15	17	6.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Alabama Dry Dock & Ship Building Co. Shipbuilding and repair	24	†0.91	68	1.3
Alamo Iron Works Machinery	20	0.54	n.a.	--
Alamo National Bank (San Antonio)	22	2.00	63	3.2
Alba Hosiery Mills, Inc. Silk and nylon hosiery	18	0.40	4	10.0
Albany & Vermont RR. Co. Local carrier	31	2.25	47	4.8
Alexander Hamilton Institute Inc. Publishing executive training courses	12	1.00	15	6.7
Allentown Portland Cement Co., Class A Portland cement	12	1.30	22⅜	5.8
Allied Finance Co. Installment financing	*16	1.00	31	3.2
Allis (Louis) Co. Generators and electric motors	*21	†1.49	32½	4.6
Aloe (A. S.) Co. Medical supplies	23	†0.97	42	2.3
Alpha Beta Food Markets, Inc. California super markets	12	0.90	20	4.5
American Aggregates Corp. Gravel and sand	17	1.00	25	4.0
American Air Filter Co. Filters and miscellaneous heating and ventilating equipment	24	1.90	65½	2.9
American Box Board Co. Manufacturer paperboard, folding paper boxes, corrugated and fibre shipping containers	17	†0.99	30⅛	3.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
n. a. June 30, 1958 quotation not available.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
American Cement Corp. Manufactures cement and cement paint	*18	n1.00	23	4.3
American Commercial Barge Line	a17	1.00	18¼	5.5
American District Telegraph Co. Electric protection services.	55	1.75	60	2.9
American Dredging Co. Dredging operations	*15	4.00	77	5.2
American Druggists Insurance Co. (Cinc.) Writes Fire Insurance and extended coverage for druggists only	*33	†2.25	59	3.8
Amer. Equitable Assurance Co. of New York Fire, marine, multiple peril insurance, and allied lines	24	1.90	33½	5.7
American Express Co. Money orders; travelers' cheques; foreign shipping; foreign remittances; credit cards	88	1.95	54⅞	3.6
American Felt Co. Manufacturer of felt	19	0.50	8¾	5.7
American Fidelity & Casualty Diversified insurance	20	0.30	19¼	1.5
American Fletcher National Bank & Trust Co., Indianapolis	46	1.60	37½	4.3
American Forging & Socket Manufactures automotive hardware	15	0.50	6¾	7.4
American Forest Products Corp. Manufacturers and distributors of forest products and corrugated containers	31	†0.68	20	4.5
American Furniture Large furniture manufacturer	18	0.20	3⅛	6.4
American General Insur. Co. Fire and casualty insurance	29	0.60	35½	1.7
American Hair & Felt Miscellaneous hair & felt products	16	1.40	14½	9.7

a Including predecessors.
* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
n Company formed Dec. 31, 1957. Yield based on proposed 25c quarterly dividend.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
American Hoist & Derrick Hoists, cranes, cargo equipment	18	1.20	17¼	7.0
American Hospital Supply Large variety of hospital supplies	11	1.55	49½	3.1
American Insulator Corp. Custom moulders of plastic materials	17	0.80	11½	7.0
American Insur. (Newark) Diversified insurance	85	1.30	26⅜	4.9
American Locker, Class B Maintains lockers in public terminals	15	0.35	3⅜	8.0
American Maize Products Manufactures various corn products	33	†1.95	60	3.3
American-Marietta Co. Paints, chemicals, resins, metal powders, household products, cement and building materials	18	†0.95	34½	2.8
American Motorists Insurance Company Diversified insurance	*23	0.18	11½	1.6
American National Bank of Denver	23	15.00	250	6.0
Amer. Natl. Bank & Trust Co. (Chattanooga)	41	2.00	80	2.5
Amer. Natl. Bk. Tr. (Chic.)	23	†5.75	360	1.6
American Pipe & Construc'n Boilers, tanks, pipelines	19	†1.19	27½	4.3
American Pulley Power transmission and other equipment	18	0.575	15	3.8
American Re-Insurance Diversified insurance	36	1.30	35¼	3.7
American Screw Co. Manufactuer of cold forged threaded fasteners	59	2.30	42½	5.4
American Spring of Holly, Inc. Springs and wire forms	11	†0.515	7¼	7.1
American Stamping Co. Pressed steel parts and stamping	21	1.00	13	7.7
American Steamship Co. Freighters on Great Lakes	27	18.00	430	4.2
American Surety Co. Insurance and suretyship	24	0.90	16⅜	5.5
American Thermos Products Co. Vacuum ware manufacturer	24	1.50	18¾	8.0
American Trust Co. (San Francisco)	22	1.60	38½	4.2
American Vitrified Products Sewer pipe, bricks, tile	11	†1.18	27	4.4
Amicable Life Insurance Co. Life insurance	22	1.25	45	2.8
Ampco Metal, Inc. Bronze alloys and products	16	0.50	7⅞	6.3
Anchor Casualty Co. (St. Paul) Fire and Casualty Insurance	25	1.00	24½	4.1
Anheuser Busch Inc. Beer and other products	25	1.20	20¼	5.9
Animal Trap Co. of America Large variety of traps	21	0.80	9	8.9
Ansul Chemical Co. Chemical and mechanical mfg.	33	1.15	22¼	5.2
Apco Mossberg Co. Tools and wrenches	15	0.15	4	3.8
Apex Smelting Co. Aluminum smelting	26	2.00	29	6.9
Arden Farms West Coast dairy	14	1.00	16¼	6.2
Arizona Public Service Electric and gas utility	38	1.14	31¾	3.6
Arkansas-Missouri Power Co. Electric and gas utility	*21	1.00	20⅜	4.9
Arkansas Western Gas Co. Natural gas public utility, production and transmission	19	†0.86	21	4.1
Arrow-Hart & Hegeman Electric Co. Electric wiring devices and controls	29	3.40	49	6.9
Arrow Liqueurs Corp. Cordials and liqueurs	*13	0.35	7	5.0
Art Metal Construction Co. Office furniture	22	2.00	29½	6.8
Associated Spring Corp. Precision springs	24	†1.57	18¾	8.4
Atlanta Gas Light Operating public utility	*21	1.60	31½	5.1
Atlanta & West Point RR. Co. Georgia carrier	19	3.00	50	6.0
Atlantic City Sewerage Co. Sewer service	34	1.00	16	6.3
Atlantic Company Ice, coal, cold storage and E-Z Curb Service Stores	13	0.625	8¾	7.1
Atlantic National Bank of Jacksonville	54	1.20	50½	2.3
Atlantic Steel Steel producing and distributing	37	0.10	11	0.9
Auto Finance Co. Investments, automobile financing and insurance	22	a1.10	24½	4.5
Automobile Banking Corp. Auto financing & personal loans	37	0.675	9¼	7.3
Avalon Telephone Co. Operates in Newfoundland	31	0.40	8¼	4.8
Avondale Mills Cotton fabrics and yarns	54	1.20	16	7.5
Avon Products Cosmetics and toiletries	39	†1.33	60½	2.2
Ayres (L. S.) & Co. Operates Indianapolis dept. store	23	†1.19	21½	5.5
B/G Foods, Inc. Restaurant chain	14	0.90	12⅝	7.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Plus one share of Piedmont Natural Gas Co. common for each 100 Shares held.

The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
B. M. I. Corp. Detroit real estate	22	1.00	14	7.1
Badger Paint & Hardware Stores, Inc. Paints, enamels and hardware	27	2.50	40	6.3
Badger Paper Mills Sulphite pulp and paper	24	4.00	80	5.0
Bagley Building Corp. Detroit real estate	21	0.40	11½	3.5
BancOhio Corp. Holding company—banks	28	†1.65	46	3.6
Bangor Hydro-Electric Operating public utility	33	1.90	35½	5.4
Bank of Amer. NT&SA Nation's largest bank	26	1.80	38	4.7
Bank Building & Equipment Corp. of America Building design and construction	19	1.20	20½	5.9
Bank of California, N. A.	79	1.30	34½	3.8
Bank of the Commonwealth (Detroit, Mich.)	23	5.00	145	3.7
Bank of Delaware	163	4.25	86½	4.9
Bank (The) of New York	173	15.00	312	4.8
Bank of the Southwest National Association, Houston	50	1.80	54	3.3
Bank of Virginia (The)	34	1.00	22	4.5
Bankers Bond & Mortgage Guaranty Co. of America Mortgage financing	12	0.30	8½	3.5
Bankers Building Corp. Chicago office building	12	4.00	57	7.0
Bankers Commercial Corp. Installment financing	20	2.50	33	7.6
Bankers & Shippers Insur. Multiple line insurance	33	2.40	48½	4.9
Bankers Trust Co., N. Y.	54	3.00	67⅞	4.4
Barnett National Bank of Jacksonville	50	1.88	68	2.7
Bassett Furniture Industries Inc. Complete line of domestic furniture	*22	1.00	17¾	5.6
Bates Manufacturing Co. Cotton and rayon fabrics	12	0.45	6⅝	6.8
Bausch Machine Tool Co. Drills and boring mills	16	1.25	18	6.9
Baxter Laboratories, Inc. Manufacturers of pharmaceuticals	25	0.70	34	2.1
Baystate Corp. Bank holding corporation	31	1.10	22½	4.9
Beauty Counselors, Inc. Wholesaler: Cosmetic and toilet preparations	24	1.55	45	3.4
Belknap Hardware & Mfg. Hardware & furniture wholesaler	30	0.85	11⅜	7.5
Bell & Gossett Co. Pumps, tanks and valves	11	0.50	11⅝	4.3
Belmont Iron Works Designer, fabricator and erector, structural steel	22	4.00	39	10.3
Belt RR. & Stock Yards Co. Operates livestock terminal mkt.	68	2.00	34	5.9
Bemis Bro. Bag Co. Manufacturer of paper, textile and plastic bags	37	1.80	31½	5.7
Beneficial Corp. Holding company affiliate of Beneficial Finance Company	30	b0.55	12½	4.4
Benjamin Franklin Hotel Co. Philadelphia hotel	11	12.00	210	5.7
Berks County Trust Co. (Reading, Pa.)	22	1.10	24¼	4.5
Berkshire Gas Co. Operating gas public utility	36	1.00	16⅜	6.1
Bessemer Limestone & Cement Co. "Portland" cement	16	†1.86	53	3.5
Bibb Mfg. Co. Textile manufacturer Cotton goods; sheeting, etc.	71	2.00	32¾	6.1
Biddeford & Saco Water Co. Operating public utility	37	5.00	95	5.3
Bird Machine Co. Machinery for paper mills	22	1.75	23¼	7.5
Bird & Son Asphalt shingles	33	1.00	17¾	5.6
Birmingham Trust National Bank (Birmingham, Ala.)	13	†0.70	36¼	1.9
Black-Clawson Company Makes paper and pulp mill equipment	26	1.00	15	6.7
Black Hills Power & Light Operating public utility	18	1.44	26⅝	5.4
Black, Sivalls & Bryson Pressure vessels, valves, and tanks	a29	1.40	20½	6.8
Bloch Brothers Tobacco Co. "Mail Pouch" chewing tobacco	47	1.65	18½	8.9
Blue Bell, Inc. Manufacturer of work and play clothes	34	0.80	19	4.2
Boatmen's Natl. Bk. St. Louis	85	3.00	62	4.6
Bobbs-Merrill Co. Inc. Book publisher	17	0.50	15	3.3
Bornot, Inc. Chain of dry cleaning Establishments	30	0.25	9	2.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
b Plus .01 share of common stock of Continental Motor Coach Lines, Inc., for each share held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Boston Insurance Co. Insurance other than life	85	1.80	30⅝	5.9
Bound Brook Water Co. Operating public utility	33	0.30	5¾	5.2
Bourbon Stock Yards Co. Louisville stockyards	50	4.00	60	6.7
Boyertown Burial Casket Miscellaneous funeral supplies	28	0.85	16½	5.2
Branch Banking & Trust Co. (Wilson, N. C.)	58	1.30	30	4.3
Bridgeport City Trust Co. Name changed in August 1957 to City Trust Co.				
Bridgeport Hydraulic Co. Supplies water to several Connecticut communities	68	1.625	32¼	5.0
Brinks, Incorporated Armored car service	67	1.80	37	4.9
Bristol Brass Metal fabricator	26	0.70	9¾	7.2
British-America Assurance Company Insurance other than life	24	4.00	94	4.3
British Mortgage & Trust Co. (Ont.) Mortgage loans & trust business	80	11.00	234	4.7
Brockton Taunton Gas Co. Operating public utility	37	0.90	17	5.3
Brockway Glass Co. Glass containers	31	0.60	24	2.5
Brooklyn Garden Apartments, nc. Own and operate two Brooklyn garden apartments	24	6.00	101	5.9
Brown-Durrell Co. "Gordon" hosiery and underwear	16	0.40	3¾	10.7
Brown & Sharpe Mfg. Machine tools	*22	1.20	24	4.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Brunswig Drug Co. Wholesale drugs	24	†0.82	20¼	4.0
Bryn Mawr Trust Co.	13	1.80	50½	3.6
Buchanan Steel Products Corp. Manufacturing steel forgings	12	0.20	3½	5.7
Buck Creek Oil Co. Crude oil producer	17	0.13	2	6.5
Buck Hills Falls Co. Hotel in Poconos	*33	0.60	16¾	3.6
Buckeye Steel Castings Co. Production of steel castings	21	3.50	29¼	12.0
Bullock's Inc. Department and specialty stores	26	2.25	42½	5.3
Burgermeister Brewing Corp. Brewing of beer	a18	1.10	14¾	7.5
Burgess Battery Co. Dry cell batteries and battery using devices	a24	2.10	36	5.8
Burgess-Manning Co. Industrial acoustics, radiant ceiling, recording and controlling instruments	15	3.50	48½	7.2
Burnham Corp. Greenhouses, radiators, etc.	11	1.00	24	4.2
Business Men's Assurance Co. of America Life and disability insurance	24	0.55	76	0.7
Butler Manufacturing Co. Metal products	20	2.00	40	5.0
Butlers, Inc. Southern shoe chain	18	0.60	9⅜	6.4
Calaveras Land & Timber Corp. California timber lands	15	2.00	21	9.5
California Bank (L. A.)	37	2.00	51¾	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

Continued on page 24

Continued from page 23

The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
California Oregon Power Operating public utility	16	1.60	32¾	4.9
California Pacific Title Insurance Co. Title insurance	22	2.30	42	6.5
California-Pacific Utilities Operating public utility	15	1.60	29⅞	5.4
California Portland Cement Cement and lime products	48	3.50	125	2.8
CALIFORNIA WATER SERVICE CO. Public utility-water ● See Company's advertisement on page 39.	27	2.40	45¾	5.2
California Water & Telephone Co. Operating public utility	21	1.20	22	5.5
California-Western States Life Insurance Co. Life, accident & health insurance	20	†1.36	81	1.7
Camden Refrigerating & Terminals Co. Cold storage, warehouse business	12	1.75	50	3.5
Campbell Taggart Associated Bakeries, Inc. Bakery chain	*12	1.25	25	5.0
Cannon Shoe Co. Operation retail shoe stores and manufacturing of shoes	26	0.45	5	9.0
Carolina Telephone and Telegraph Company Operates telephone exchanges	58	8.00	152	5.3
Carpenter Paper Co. Distributor of paper and paper products	61	1.80	37	4.9
Carter (William) Co. Underwear	*26	9.00	200	4.5
Carthage Mills, Inc. Floor coverings	18	2.00	22½	8.9
Cascades Plywood Corp. Plywood	11	1.25	25¼	5.0
Cavalier Apartments Corp. Owning and operating apartment house (Washington, D. C.)	16	2.00	41	4.9
Central Bank & Trust Co. (Denver)	*12	†0.75	18¼	4.1
Central Coal & Coke Corp. Leases mines on royalty basis	11	1.00	29	3.4
Central Cold Storage Co. Refrigeration	24	2.50	30½	8.2
Central Electric & Gas Co. Electric & gas utility and through subsidiaries telephone service in several states	16	0.925	19½	4.7
Central Fibre Products Co., Voting Paperboards — Makes moulded products	25	1.50	26	5.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Central Illinois Elec. & Gas Operating public utility	26	1.60	37⅛	4.3
Central Indiana Gas Co. Natural gas public utility	18	0.80	15⅛	5.3
Central Louisiana Elec. Co. Electric, gas and water utility	24	1.60	38¼	4.2
Central Maine Power Co. Electric utility	16	1.40	24⅝	5.7
Central National Bank of Cleveland	17	1.80	37	4.9
Central National Bank & Trust Co. (Des Moines)	21	6.00	215	2.8
Central-Penn National Bank (Philadelphia)	130	2.00	40	5.0
Central Soya Co. Soybean processing and mixing of livestock feed	17	†1.58	42	3.8
Central Steel & Wire Co. Metal processing and distribution	16	3.00	51½	5.8
Central Telephone Co. Telephone service	13	1.00	23⅞	4.2
Central Trust Co. (Cinn.)	22	2.80	58½	4.8
Central Vermont Public Service Corp. Electric and gas utility	15	1.00	17⅜	5.8
Central Warehouse Corp., Class A Operates warehouse in Albany	20	1.00	9½	10.5
Central West Co. Investment trust	23	0.30	5½	5.5
Chain Store Real Estate Trust Ownership and rental of improved real estate	22	5.25	75	7.0
Chambersburg Engineering Forging hammers, hydraulic presses	21	1.00	25	4.0
Chance (A. B.) Co. Manufacturing products for Utility Line Construction & Maintenance	23	1.20	22	5.5
Chapman Valve Mfg. Co. Gate valves, fire hydrants	22	3.00	45¾	6.6
Charleston Natl. Bk. (W. Va.)	22	2.00	52	3.8
Charleston Transit Co. W. Va. bus operations	18	5.00	29½	16.9
Chase Manhattan Bank	110	2.40	52¼	4.6
Chatham Manufacturing Co., Class A Woolen blankets	11	0.16	3½	4.6
Chemical Corn Exch. Bank	*101	2.225	50⅛	4.4
Chenango & Unadilla Telephone Corp. Operating telephone company	32	1.30	23	5.7
Chicago Allerton Hotel Co. Chicago hotel	19	2.50	65	3.8
Chicago, Burlington & Quincy RR. Co. Midwest carrier	96	7.50	145	5.2
Chicago City Bk. & Trust Co.	23	5.00	190	2.6
Chicago Medical Arts Building Corp Office building	12	2.50	40	6.3
Chicago Mill & Lumber Wood boxes	18	1.25	24½	5.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Chicago Molded Products Corp. Plastic molders	19	0.50	8	6.3
Chicago Title & Trust Co.	23	5.00	77	6.5
Chilton Co. Publisher of business magazines	21	1.00	21	4.8
China Grove Cotton Mills Co. Combed yarn manufacturer	36	2.00	45	4.4
Christiana Secur. Co. Holding company	*32	485.00	12,600	3.8
Circle Theatre Co. Real estate holding company	22	3.50	34¼	10.2
Citizens Commercial & Savings Bank (Flint, Mich.)	22	3.25	79	4.1
Citizens Fidelity Bank & Tr. (Louisville)	39	1.60	41	3.9
Citizens Natl. Trust & Savings Bank (Los Angeles)	64	2.25	52½	4.3
Citizens & Southern National Bank (Savannah)	53	†1.73	36½	4.7
Citizens & Southern National Bank of S. C. (Charleston)	30	1.70	39	4.4
Citizens Utilities Co., Cl. B Public utility	20	0.95	19⅝	4.8
City National Bank & Tr. Co. (Chicago)	17	3.00	64	4.7
City Nat. Bank & Trust Co. (Columbus, Ohio)	23	†0.875	24	3.6
City National Bank & Tr. Co. (Kansas City)	*30	0.80	99	0.8
City Title Insurance Co. Title insurance	20	0.40	7¾	5.2
City Trust Co. (Bridgeport, Conn.)	a104	1.40	32½	4.3
Cleveland Builders Supply Manufacturers and distributors of building materials	20	1.70	28½	6.0
Cleveland Quarries Co. Building and refractory stone	18	0.40	10¾	3.7
Cleveland Trencher Co. Manufacturer of mechanical trench excavators	11	0.40	8½	4.7
Cleveland Trust Co.	22	6.00	274	2.2
Cleveland Union Stock Yards Company Operates livestock yards	52	0.625	10	6.3

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 41.

Coca-Cola (Los Angeles)	34	1.50	27	5.6
Coca-Cola (New York)	19	†0.99	21½	4.6
Coca-Cola (St. Louis)	30	0.60	13½	4.4
Cochran Foil Co. Foil rolling, laminating lacquering	10	0.65	17¾	3.7
Collins Co. Farm and cutting implements	*43	6.00	94	6.4
Collyer Insulated Wire Manufacturer of insulated wire and cable	40	2.50	37½	6.7
Colonial Life Insurance Co. of America Non-participating life insurance	12	1.00	132	0.8
Colonial Stores Retail food stores in Southeast and Midwest	17	†1.09	28	3.9
Color-Craft Products, Inc. Wall coverings	10	0.25	2¾	9.1
Colorado Central Power Co. Operating electric public utility	24	x1.32	30¾	4.3
Colorado Interstate Gas Co. Natural gas transmission	23	1.25	45¼	2.8
Colorado Milling & Elevator Flour and prepared mixes for baking	13	1.40	22¼	6.3
Columbian National Life Insurance Co. Life, accident and health	16	2.00	83	2.4
Commerce Trust (K. C.)	22	2.70	80	3.4
Commerce Union Bank (Nashville)	42	0.75	36¾	2.0
Commercial Banking Corp. Dealer financing	10	0.60	9	6.7
Commercial Discount Corp. Commercial financing	12	0.30	11½	2.6
Commercial Shear, & Stamp. Pressed metal products, hydraulic oil equipment and forgings	23	†0.97	19	5.1
Commercial Trust Co. of New Jersey (Jersey City)	53	†3.09	77	4.0
Commonwealth Land Title Insurance Co. Title insurance	13	2.80	44	6.4
Commonwealth Life Insurance Co. (Ky.) Non-participating and industrial life	17	†0.175	24	0.7
Commonwealth Trust Co. (Pittsburgh)	56	1.20	41½	2.9
Community Hotel Co. (Pa.) York Pa., hotel	11	6.00	92	6.5
Concord Elect. (New Eng.) Operating public utility	53	2.40	41	5.9
Conn (G. C.), Ltd. Top manufacturer of band instruments	10	0.60	12⅜	4.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
x New rate $1.44.

The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Connecticut Bank & Tr. Co.	143	1.80	39	4.6
Connecticut General Life Insurance Co.	80	1.90	256	0.7
Life, accident and health insurance (group and individual)				
Connecticut Light & Power	36	1.00	20¼	4.9
Operating public utility				
CONNECTICUT NATIONAL BANK (BRIDGEPORT, CONN.)	18	1.00	17	5.9
• See Bank's advertisement on page 43.				
Connecticut Printers, Inc.	79	1.40	32	4.4
Commercial printing				
Connohio, Inc.	13	0.225	3	7.5
Sale of ice & oil, & warehousing				
Consolidated Dearborn	12	1.35	21	6.4
Owns office buildings in Chicago and Newark				
Consolidated Dry Goods Co.	16	3.45	25	13.8
Department store chain				
Consolidated Metal Products Corp.	23	3.00	58	5.2
Owns railroad equipment patents				
Consolidated Naval Stores	25	22.00	606	3.6
Holding company, diverse interests				
Consolidated Rendering Co.	23	2.00	24¼	8.2
Tallow, grease, meat scrap, fertilizers, hides and skins				
Consolidated Theatres, Ltd., Class B	10	0.20	2½	8.0
Canadian theatre chain				
Consol. Water Pwr. & Paper	25	1.20	28¾	4.2
Manufactures paper and paper products				
Continental American Life Insurance Co.	*33	1.55	58½	2.6
Participating life				
Continental Assurance Co.	45	1.20	124½	1.0
Life, accident and health				
Continental Casualty Co.	24	c1.40	79¼	1.8
Diversified insurance				
Continental Gin	58	†1.23	18¾	6.6
Manufactures cotton ginning equipment				
Continental Illinois National Bank and Trust Co. of Chicago	23	†3.70	86½	4.3
Cook Electric Co.	11	†0.10	18⅝	0.5
Wire communication equipment				
Copeland Refrigeration Corp.	12	0.85	10¾	7.9
Refrigerators and air conditioning				
Corduroy Rubber Co.	19	3.00	35	8.6
Tires and tubes				
Cornell Paperboard Products	17	1.00	16¼	6.2
Wall & paperboard & containers				
County Bank & Trust Co. (Paterson, N. J.)				
Merged in June 1958 with Passaic Clifton Natl. Bank and Trust Co. and changed name to New Jersey Bank & Trust Co. Stock exchanged share for share.				
County Trust (White Plains)	*54	†0.48	24½	2.0
Cowles Chemical Co.	19	0.575	13½	4.3
Mfg. industrial chemicals				
Creamery Package Mfg. Co.	71	2.00	34¼	5.8
Food processing and refrigerating machines and farm coolers				
Crompton & Knowles Corp.	27	0.75	14⅛	5.3
Looms, dyestuffs, packaging equipment and reinforced plastics				
Crown Life Insurance Co.	35	2.10	122	1.7
Life, accident and sickness; also annuities				
Cuban Telephone Co.	15	8.00	96	8.3
Operating public utility				
Cumberland Gas Corp.	11	0.60	7½	8.0
Operating public utility				
Cummins Engine Co.	10	†0.95	44½	2.1
Diesel and gas engines				
Curlee Clothing Co.	19	0.60	10½	5.7
Men's suits and overcoats				
Dahlstrom Metallic Door Co.	16	1.15	14½	7.9
Doors, mouldings, cabinets				
Dallas Transit Co.	16	0.35	6⅜	5.5
Local transit facilities				
Darling (L. A.) Co.	11	0.50	8⅞	5.6
Manufacturing display equipment				
Dayton Malleable Iron Co.	23	1.15	15	7.7
Iron and steel castings				
De Bardeleben Coal Corp.	10	6.00	90	6.7
Bituminous coal				
Dean & Co.	21	0.60	13	4.6
Auto financing				
Decker Nut Manufacturing Co.	12	0.275	3¼	8.5
Manufacturer of cold headed industrial fasteners				
Del Monte Properties Co.	13	2.60	65	4.0
Real estate				
Delaware Railroad Co.	59	2.00	35	5.7
Leased and operated by P.R.R.				
Delta Electric Co.	26	1.30	18	7.2
Hand lanterns and auto type switches, bicycle lamps and horns				
Dempster Mill Manufacturing	22	0.60	19	3.2
Farm equipment				
Dentist's Supply (N. Y.)	59	1.25	26¼	4.8
Artificial teeth and other dental supplies				
Denver Natl. Bank (Denver)	*34	1.20	29½	4.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
c Plus one share of Continental Assurance for each 100 shares held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Denver Union Stock Yard Co.	39	4.00	70	5.7
Livestock				
Detrex Chemical Industries, Inc.	*12	1.10	20½	5.4
Metal cleaning compounds				
Detroit Aluminum & Brass	*12	0.55	8	6.9
Bearings and bushings				
Detroit Bank & Trust Co.	23	1.80	42	4.3
Detroit & Canada Tunnel	17	1.00	16	6.3
Owns and operates international tunnel				
Detroit Harvester Co.	35	1.20	16⅜	7.3
Mfr. auto parts, farm equipment and power lawn mowers				
Detroit International Bridge	14	1.10	20¼	5.4
Operates bridge to Windsor				
Detroit Mortgage & Realty Co.	19	0.075	2¼	3.3
Real estate financing				
Detroit Stamping Co.	25	†0.82	11	7.5
Pressed metal parts & specialties				
Diamond Portland Cement	37	1.25	25½	4.9
Manufacturer of Portland Cement				
Dickey (W. S.) Clay Mfg. Co.	12	1.35	26¾	5.0
Sewer and culvert pipes, tiles				
Dictaphone Corp.	32	1.65	49¼	3.4
Manufacture and sale of Dictaphone, dictating, recording and transcribing machines				
Dicto[illegible]ducts Co.	12	0.05	4⅝	1.1
Holding company				
Dis[illegible] of New York	39	14.00	194	7.2
Dealers in U. S. Treasury securities and bankers acceptances				
District Theatres	12	0.10	3	3.3
Operates theatre chain				
Dixon (Joseph) Crucible Co.	19	1.20	16	7.5
Crucibles, graphite, paint				
Dobbs Houses, Inc.	11	†0.95	39	2.4
Restaurant and airline catering				
Dollar Savings & Trust Co. (Youngstown)	19	†3.10	110	2.8
Donnelley (R. R.) & Sons	48	†0.78	28¾	2.7
Largest commercial printer in United States				
Drackett Co.	*25	0.625	13½	4.6
Manufactures soybean and household products				
Dravo Corp.	19	†1.97	48	4.1
Heavy engineering projects, marine equipment				
Drexel Furniture Co.	*22	1.60	22	7.3
Furniture manufacturer				
Drovers Natl. Bk. (Chicago)	75	†0.74	25	3.0
Ducommun Metals & Supply	23	†1.23	23½	5.2
Metals and industrial supplies Steel or nonferrous products				
Duff-Norton	68	3.00	37½	8.0
Industrial jacks and lifting equipment				
Dun & Bradstreet Inc.	25	1.65	37¾	4.4
Credit and marketing reports and publications				
Duncan Electric Manufacturing Co., Class B	20	1.00	17	5.9
Duriron Co.	18	1.20	17	7.1
Corrosion resistant equipment				

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Eason Oil Co.	17	0.50	19	2.6
Oil and gas production				
Eastern Racing Assn.	17	0.30	4⅝	6.5
Suffolk Downs				
Eastern Utilities Associates	30	2.20	36⅝	6.0
Holding company, New England public utilities				
Eaton Paper Corp.	13	5.00	70	7.1
Manufactures social stationery, typewriter paper, social and business record books				
Economics Laboratory, Inc.	22	†0.79	16	4.9
Manufactures Soilax, Finish and Electrasol				
Ecuadorian Corp., Ltd. (Bahamas)	20	1.10	12⅛	9.1
Holding co.—brewing interests				
Edgewater Steel Co.	36	†2.46	40½	6.1
Circle E. rolled steel railroad wheels and tires, steel rings and forgings				
Edison Sault Electric Co.	22	0.80	16⅝	4.8
Electric utility				
Egry Register Co.	19	0.50	20	2.5
Autograhic registers				
El Paso Electric Co.	30	1.00	25½	3.9
Public utility				
El Paso Natl. Bank (Texas)	24	†2.14	50	4.3
Electric Hose & Rubber Co.	19	1.90	28½	6.7
Rubber hose				
Electrical Products Consol.	23	1.95	34	5.7
Electrical signs				
Electro Refractories & Abrasives Corp.	24	0.60	8	7.5
Manufacturer of crucibles, refractories and abrasive products				
Elizabethtown Consolidated Gas Co.	65	1.40	32½	4.3
Natural gas distributing utility				
Elizabethtown Water Co. (Consolidated)	35	1.70	42¾	4.0
Operating public utility				
Emhart Manufacturing Co.	12	†1.58	48½	3.3
Glass industry machinery				
Empire State Oil	11	0.30	6¾	4.4
Oil production and refining				
Empire Trust Co. (N. Y.)	52	†2.91	183	1.6
Employers Casualty Co.	*34	2.00	54	3.7
Fire and Casualty Insurance				
Employers Reinsurance Corp.	44	1.35	36½	3.7
Multiple line reinsurance				
Equitable Security Trust Co. (Wilmington, Del.)				
Name changed in April 1958 to Bank of Delaware.				
Equitable Trust Co. (Balt.)	43	†0.97	58	1.7
Equity Oil Co.	10	0.40	40½	1.0
Crude oil production				
Erie & Kalamazoo RR.	109	3.00	45	6.7
Leased by New York Central				
Erie Resistor Corp.	19	†0.24	6⅝	3.6
Electronic products and molded plastics				
Erlanger Mills Corp.	12	0.80	12	6.6
Textile holding and operating co.				

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 26

Commodities and the U.S.S.R.

By PAUL EINZIG

Dr. Einzig commends the affected small, underdeveloped countries' recent, though long over-due, denunciations of Moscow's Machiavellian policy of systematically dumping tin on the world market. He finds that the dumping, coming on top of the downward world commodity price trend and Communist inspired inflationary wage demands, constitutes a hyprocritical plan to bring about a disastrous slump in order to be able to exploit the situation. The writer notes that exposure has caused U. S. S. R. to abate somewhat its aggressive sales.

LONDON, Eng.—A recent public statement of the Prime Minister of the Malayan Federation denounced in no uncertain terms the Government of the U.S.S.R. for the part it played in bringing about the recent slump in the price of tin. It was indeed high time that someone of authority exposed the sinister activities of the Soviet Union in the world commodity markets. And it is gratifying that the long over-due denounciation came not from the spokesman of one of the Western Powers but from the spokesman of one of the underdeveloped countries.

Dr. Paul Einzig

One of the favorite propaganda weapons of the Communists is to pose as the patron-saint, of underdeveloped peoples. They have been doing their best to exploit for their own purposes the natural discontent of the poverty-stricken millions in the Far East and elsewhere, accusing the Western Powers of colonialism and criticizing them for their alleged failure to take steps to raise the standard of living in backward countries. Although the standard of living of backward peoples in the free world is rising, it is very tempting for those struggling on a bare subsistence level to accept the argument that puts the blame for their misery on countries with much higher standard of living.

U. S. S. R. Hypocrisy

Hitherto this anti-Western propaganda has carried strong conviction. During recent months, however, it has become increasingly evident that it was sheer hypocrisy on the part of the Communists to claim to be the supreme defenders of the economic interests of backward nations. The Soviet Government showed itself in its true character by taking deliberate action to aggravate the economic depression that has been developing in raw material producing countries as a result of the decline in world commodity prices.

Moscow has been pursuing a policy of systematic dumping of tin on the world market with the object of exhausting the financial resources of the buffer pool available for supporting the price. It abstained from participating in the arrangement limiting the export of tin by producers, and thereby it frustrated the efforts aimed at maintaining the price at a level at which it remains profitable to produce. As the Malayan Prime Minister pointed out, the Soviet Union by its operations secured for itself a large part of the funds contributed by underdeveloped nations towards the scheme aimed at preventing an undue fall in the price of tin.

Much more important than the financial benefit derived by the Soviet Union from these operations was the prospective political advantages it hoped to derive from bringing about a slump in the price of tin leading to corresponding trend in other commodities. Communist operations were not confined to tin, and in any case the psychological effect of a collapse in the tin market would have affected the price of other metals and other primary commodities. The idea was to engineer a disastrous slump in order to be able to exploit politically the growing misery of raw material producing peoples.

Beyond doubt, the Western Powers possess the financial resources to prevent such policy of gigantic sabotage of the economic system of the Free World from being carried out successfully. Unlimited support of commodity markets at artificial levels would mean, however, a heavy drain on these financial resources. There is a much less expensive way of preventing the execution of Moscow's Machiavellian maneuvering. This could be done through giving adequate publicity to the Soviet attempt at inflicting misery upon hundreds of millions of under-developed peoples engaged in raw material production.

Effect Upon Soviet Union

The statement made by the Malayan Prime Minister was the first active step in that direction. The fact that, following on his statement, aggressive selling of tin by the Soviet Union has abated shows that Moscow is not indifferent to the effect of its operations on opinion in under developed countries. It was because the governments concerned failed until quite recently to enlighten under-developed countries about the activities of the Communists aimed at deliberately undermining their prosperity that the U.S.S.R. was able for a long time to carry on its activities without having to pay the price in the form of incurring unpopularity among peoples which they are anxious to bring under the influence of Moscow.

Nor is the story of Communist conspiracy against the prosperity of backward peoples confined to recent commodity operations. The main reason for the weakening of commodity prices that began a year ago was the curtailment of industrial production brought about by disinflationary measures. These measures were made necessary by excessive wage demands leading to inflation. And Communist elements in the trade unions were largely responsible for forcing trade union officials to put forward economically unjustifiable wage demands. It is a well-known Communist policy to stir up such demands in order to cause discontent if they are not fully satisfied, and in order to cause inflation if they are satisfied.

Had it not been for Communist inspired excessive wage demands there would have been no need for credit restrictions. Industrial output would have continued to expand and manufacturing countries would have continued to absorb large and increasing quantities of raw materials at prices which would secure a rising standard of living among under-developed peoples. Once the downward trend in world commodity prices was initiated it was easy for the Soviet Union to aggravate it by means of increased exports of raw materials. It is high time the peoples concerned are made to realize who is the villian of the piece.

With De Haven, Townsend

(Special to THE FINANCIAL CHRONICLE)

STAMFORD, Conn. — Kenneth A. Wood has become associated with De Haven & Townsend, Crouter & Bodine, 1 Atlantic St. Mr. Wood was formerly with A. M. Kidder & Co., Inc. and Thomson & McKinnon in Florida. Prior thereto he was with Eastman, Dillon & Co.

Joins Coburn & Middlebr'k

(Special to THE FINANCIAL CHRONICLE)

WATERBURY, Conn.—Carmen J. Di Chillo is now with Coburn & Middlebrook, Incorporated 35 Leavenworth Street.

Eastman Dillon Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — William M. Wadden III is now connected with Eastman Dillon, Union Securities & Co., 135 South La Salle Street. Mr. Wadden was previously with Kidder, Peabody & Co.

Joins Tabor Staff

(Special to THE FINANCIAL CHRONICLE)

DECATUR, Ill.—Ralph W. Tibbils has joined the staff of Tabor & Co., 139 West Main Street, members of the Midwest Stock Exchange. He was previously local manager for Francoeur & Company, Inc.

Bache Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Frank L. Gorman is now with Bache & Co., Dixie Terminal Building.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Erwin Mills, Inc. — Textile mills	33	0.60	9⅛	6.6
Essex Co. — Water power to mills	47	2.75	43	6.4
Excelsior Life Insurance Co. (Toronto) — Participating & non-participating	*30	1.40	140½	1.0
Exeter & Hampton Electric Company — Operating public utility	50	2.60	43	6.0
Exeter Manufacturing Co. — Cotton and glass fabrics	17	1.00	50	2.0
Exolon Co. — Manufacture artificial abrasives and magnetic separators	24	1.80	26	6.9
Faber Coe & Gregg, Inc. — Tobacco wholesaler	24	3.40	52½	6.5
Fafnir Bearing Co. — Manufacturer of ball bearings	45	†2.74	58½	4.7
Fairmont Railway Motors, Inc. — Railway maintenance equipment	*24	10.00	440	2.3
Fall River Gas Co. — Operating public utility	*49	1.50	24¾	6.1
Fanner Mfg. — Manufactures chaplets and chills for foundries	45	0.275	5½	5.0
Farmers & Merchants Bank of Long Beach (Calif.)	23	1.80	72	2.5
Farrel-Birmingham Co. — Mfrs. of heavy machinery	23	2.75	36	7.6
Fate-Root-Heath Co. — Manufactures locomotives, ceramic machinery and lawnmower sharpeners	24	1.10	13½	8.1
Faultless Rubber — Miscel. rubber goods, sponges	33	1.20	19	6.3
Federal Bake Shops, Inc. — Chain of retail bake shops	22	0.45	6	7.5
Federal Chemical Co. — Fertilizers	14	5.00	69	7.2
Fed. Compress & Warehouse — Cotton compress and warehousing	32	1.35	19½	6.9
Federal Insurance Co. — Multiple line insurance	56	0.90	41	2.2
Federal Screw Works — Screws and machines	17	1.25	14¼	8.8
Federal Sign & Signal Corp. — Electric signs, sirens, lights, traffic and highway signs	10	†1.34	29¼	4.6
Federal Trust Co. (Newark)	14	1.30	44½	2.9
Federated Publications, Inc. — Michigan newspapers	23	4.65	87	5.3
Federation Bank and Trust Co. (New York)	22	1.30	26½	4.9
Ferry Cap & Set Screw Co. — Manufacturer of screw products	19	0.10	5	2.0
Fidelity-Baltimore Natl. Bk. (Baltimore)	53	2.00	43½	4.6
Fidelity-Philadelphia Trust	93	4.00	81	4.9
Fidelity Trust Co. (Pgh.)	74	3.40	82½	4.1
Fidelity Union Tr. (Newark)	64	†2.90	64	4.5
Fifth-Third Un. Tr. (Cinn.)	21	2.40	50½	4.8
Fifty Associates (Boston) — Boston real estate	*12	50.00	1,250	4.0
Finance Co. of Pennsylvania — Real estate and securities	29	1.70	55½	3.1
Fireman's Fund Insur. Co. — Multiple line insurance	50	1.80	53¼	3.4
Firemen's Ins. Co. (Newark) — Diversified insurance	21	1.30	36	3.6
First Amer. Nat. Bk. (Nashv.)	20	1.30	32¾	4.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 27

Continued from page 26

The Over-the-Counter Market—Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
First Bank Stock Corp. Bank holding company	29	1.70	36⅝	4.6
First Bank & Trust Co. (South Bend)	19	1.20	32	3.8
FIRST BOSTON CORP. Investment banking ● See Company's advertisement on page 20.	19	5.50	66½	8.3
First Camden National Bank & Trust Co. (N. J.)	13	1.00	24¼	4.1
First City Natl. Bk. (Houston	25	†1.83	62	3.0
First Geneva Corp.	22	†1.18	46¾	2.5
First Natl. Bank of Akron	19	†0.98	34½	2.8
First Natl. Bank of Atlanta	*29	1.60	32¾	4.9
First Natl. Bank (Baltimore)	a152	2.50	52½	4.8
First Natl. Bank (Birming.)	15	1.40	40¼	3.5
First Natl. Bank of Boston	174	3.35	71½	4.7
First Natl. Bank (Chicago)	23	8.00	347	2.3
First Natl. Bank of Cinn.	95	1.75	37¾	4.6
First Natl. Bank in Dallas	82	†1.38	32⅜	4.3
First Natl. Bank of Denver	*41	14.00	525	2.7
First National Bank of Fort Worth	25	1.00	25½	3.9
First Natl. Bank (Jersey City)	94	†2.64	57	4.6
First Natl. Bank (K. C.)	68	†2.77	119	2.3
First Natl. Bank (Memphis)	63	1.40	35½	3.9
First Natl. Bank (Miami)	55	1.25	40½	3.1
First Natl. Bank (Mobile)	*33	4.50	115	3.9
First Natl. Bank (Omaha)	21	2.50	66	3.8
First Natl. Bank of Oregon Name changed from First National Bank (Portland, Ore.) in August 1958.	87	2.05	47½	4.3
First Natl. Bank (St. Louis)	40	3.00	66¼	4.5
First Natl. Bank (Shreveport)	21	†1.35	46¼	2.9
First Natl. Bank (Wichita)	38	6.00	300	2.0
First Natl. Bk. T. (Okla. City)	30	1.00	35⅛	2.8
First National Bank & Trust of Paterson, N. J.	93	†2.54	60	4.2
First Natl. Bank & Trust Co. (Scranton, Pa.). Effective Aug. 1, 1958 merged with Wilkes-Barre Deposit & Savings Bank and Markle Banking & Trust Co. of Hazelton to form Northeastern Pennsylvania National Bank & Trust Co. Stock of Scranton Bank was exchanged share for share.				
First National Bank and Trust Co. (Tulsa)	19	1.40	31½	4.4
First National City Bank of New York	145	3.00	65¾	4.6
First National Exchange Bank of Roanoke	76	†1.35	33½	4.0
First National Trust & Savings Bank of San Diego	25	1.50	27	5.6
First New Haven National Bank (Conn.)	22	1.35	28	4.8
First Pennsylvania Banking & Trust Co. (Phila.)	130	2.20	45¼	4.8
First Security Corp. Bank holding company	23	1.60	43	3.7
First Western Bank & Trust Co. (San Francisco)	90	1.60	35½	4.5
Fitchburg Gas & Elec. Light Serves Massachusetts communities	99	3.00	54	5.6
Florida National Bank (Jacksonville)	22	1.00	60½	1.7
Florida Public Utilities Co. Operating public utility	15	0.65	14⅛	4.6
Florida Telephone Corp. Telephone company	18	0.90	24¼	3.7
Flour City Ornamental Iron Co. Ornamental metal work and Aluma Craft boats.	11	†0.29	7	4.1
Foote Bros. Gear & Mach. Gears and transmission equip.	17	0.975	10¼	9.5
Foote-Burt Co. Drilling, reaming, tapping machines	29	1.00	17¼	5.8
Forbes & Wallace, Inc., Cl. B Dept. store, Springfield, Mass.	22	1.75	23	7.6
Fort Pitt Bridge Works Structural steel fabrication	16	3.00	33	9.1
Fort Wayne Corrugated Paper Co. Corrugated shipping containers	19	1.00	32	3.1
Fort Wayne National Bank (Indiana)	23	2.00	58	3.4
Ft. Worth National Bank	84	1.00	24	4.2
Fort Worth Transit Co. Fort Worth bus service	10	0.40	5⅜	7.4
Fostoria Pressed Steel Corp. Industrial lighting units	19	1.50	22½	6.7
Fourth Natl. Bank of Wichita	*33	1.00	70	1.4
Fownes Brothers & Co. Gloves	11	0.15	4½	3.3
Fram Corp. Manufacturer of oil, air, fuel and water filters	16	1.00	15⅜	6.5
Franco Wyoming Oil Co. Oil production, exploration and development	22	1.25	36	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Frank (Albert)-Guenther Law, Inc. Advertising agency	14	0.30	12½	2.4
FRANKLIN LIFE INSURANCE CO. Life insurance ● See Company's advertisement on page 35.	16	†0.38	63¾	0.6
Frick Co. Refrigeration and air conditioning equipment	56	2.25	34	6.6
Friedman (Louis) Realty Co. New York City real estate	11	0.40	9	4.4
Frontier Refining Co. Petroleum production, refining and marketing	12	†0.24	14	1.7
Fruit of the Loom, Inc. Cotton goods	12	1.25	13½	9.3
Fuller Brush Co., Class A Brushes	36	5.00	80	6.3
Fuller Manufacturing Co. Manufacturing heavy duty transmissions, forgings and axles	20	†2.01	46¼	4.3
Fulton Industrial Securities Corp. Small loans	23	0.36	4	9.0
Fulton Market Cold Storage Refrigerated warehousing	28	1.00	13	7.7
Fulton Natl. Bank (Atlanta)	45	†1.17	31½	3.7
Galveston-Houston Co. Holding company. Bus industry	19	1.00	7⅞	12.7
Garlock Packing Co. Mechanical packings, gaskets, oil seals and mechanical seals	53	1.50	25	6.0
Gary Natl. Bank (Indiana)	44	6.00	450	1.3
Gary Railways, Inc. Transportation holding company	15	d0.30	3¼	9.2
Gas Service Co. Natural gas distributor serving Missouri, Kansas, Oklahoma and Nebraska	14	1.36	28¾	4.7
General Crude Oil Co. Southern producer	20	1.00	30½	3.3
General Industries Co. Plastics. Also makes small electric motors	18	1.50	20	7.5
General Manifold & Ptg. Co. Commercial printing	13	0.375	6	6.3
General Metals Corp. Marine and other machinery	23	1.20	19	6.3
General Reinsurance Corp. All casualty, bonding, fire and allied lines	24	2.00	55¾	3.6
Genuine Parts Co. Automotive parts	12	1.30	39½	3.3
Georgia Marble Co. Marble production	15	†1.22	33½	3.6
Germantown Fire Insurance Company Fire and allied lines insurance	10	2.50	65	3.8
Giddings & Lewis Mach. Tool Boring, milling and drilling machines	21	2.00	26¼	7.6
Gilbert & Bennett Manufacturing Co. Wire cloth	16	1.00	46	2.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
d Excluding $4.50 special dividend on Dec. 2, 1957.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Girard Trust Corn Exchange Bank (Philadelphia)	121	2.40	48⅝	4.9
Gisholt Machine Co. Turret lathes and tools	23	1.00	15½	6.5
Glatfelter (P. H.) Co. Pulp and paper manufacture	13	2.05	53	3.9
Glen-Gery Shale Brick Corp. Brick manufacturing	12	0.40	5	8.0
Glens Falls Insurance Co. Multiple line insurance underwriter	92	0.85	29¼	2.6
Glens Falls Portland Cement Portland and masonry cement	13	0.85	14⅛	6.0
Globe & Republic Insurance Co. of America Fire, marine, multiple peril coverages and allied lines	24	1.00	19½	5.1
Goderich Elevator & Transit Co., Ltd. Grain elevator	54	1.50	22¾	6.6
Good Humor Corp. Well-known ice cream retailer	24	0.35	7¼	4.8
Goodall Rubber Co. (class A) Hose, belting and packings	24	0.50	8¾	5.7
Gould Pumps, Inc. Pumps and water systems	10	1.25	32	3.9
Govt. Employees Insurance Insurance—casualty and fire	11	†0.85	64½	1.3
Grace Natl. Bank of New York	11	6.00	315	1.9
Grand Trunk Warehouse & Cold Storage Co. Detroit ice manufacturer	15	2.00	42	4.8
Graniteville Co. Cotton fabrics	17	1.70	27	6.3
Great American Indemnity Company Diversified insurance	25	0.40	13	3.0
Great Amer. Ins. Co. (N.Y.) Diversified insurance	85	1.50	37	4.1
Great Lakes Engineering Works Shipbuilders and engineers	35	0.30	14½	2.1
Great Southern Life Ins. Co. Life, accident and health	*33	2.00	76	2.6
Great West Life Assurance Co. (Winnipeg) Life, accident and health	57	4.10	230	1.8
Green (Daniel) Co. House slippers	*21	5.00	68	7.4
Green (A. P.) Fire Brick Co. Refractory products	*12	1.00	20⅜	4.9
Green Giant Co., Class B Vegetable canning & distribution	*34	1.00	17¼	5.8
Gregory Industries, Inc. Stud welding equipment and welding studs	10	†0.43	14	3.7
Griess-Pfleger Tanning Co. Leather tanning	*17	1.00	12	8.3
Grinnell Corp. Sprinklers & plumbing equipment	23	†4.38	124½	3.5
Guarantee Co. of North America (Montreal) Guarantee, fire, and casualty	85	18.00	310	5.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Guaranty Trust Co. (N. Y.)	66	4.00	79⅝	5.0
Gulf Insurance Co. (Dallas) Fire and casualty insurance	24	2.00	61	3.3
Gulf Life Insurance Co. (Jacksonville, Fla.) Life and accident	26	0.50	21⅝	2.3
Gustin-Bacon Mfg. Co. Glass fibre insulation products	20	0.50	27¾	1.8
Hagan Chemical and Controls, Inc. Water treatment chemicals	15	†1.48	54	2.7
Hajoca Corp. Plumbing, heating and air conditioning supplies	16	1.00	34½	2.9
Halle Bros. Ohio merchandise distributors	43	†0.91	25	3.6
Haloid Xerox, Inc. (N. Y.) Formerly Haloid Co. Name changed in April 1958.	29	0.80	68¼	1.2
Hamilton Mfg. Wood and steel products	19	1.00	16¾	6.0
Hamilton National Bank (Chattanooga, Tenn.)	*53	2.00	70	2.8
Hamilton National Bank (Knoxville, Tenn.)	26	†6.70	300	2.2
Hancock Oil Co., Class B Producer, refiner & marketer of petroleum products	29	e0.60	52	1.2
Hanes (P. H.) Knitting Co. Underwear and sportswear	25	2.00	32	6.3
Hanna (M. A.), Class B Coal, iron, steel	24	3.50	104	3.4
Hanover Bank (The) (N. Y.)	106	†1.85	43	4.3
Hanover Insurance Co. Formerly Hanover Fire Ins. Co. Name changed in January 1958.	105	2.00	38	5.3
Hanson Van Winkle Electroplating and polishing equipment	*15	†0.215	5⅜	4.0
Harris Tr. & Svgs. Bk. (Chic.)	50	†2.45	92½	2.6
Harrisburg Hotel Co. Penn-Harris Hotel	23	3.00	37	8.1
Hart-Carter Co. Grain handling equipment	18	1.00	13	7.7
Hartford Fire Insurance Diversified insurance	85	3.00	154½	1.9
Hartford Gas Co.	108	2.00	39½	5.1
Hartford Natl. Bank & Trust	126	1.475	34¼	4.2
Hartford Steam Boiler Insp. and Insurance Company Boiler and machinery insurance	87	2.50	96	2.6
Harvard Trust (Cambridge)	54	2.05	44¾	4.6
Haverhill Gas Co. Gas service	46	1.32	20¾	6.4
Haverty Furniture Co. Holding company	23	†0.99	20½	4.8
Haytian American Sugar Co., S. A. Sugar production	15	2.00	32	6.3
Heidelberg Brewing Co. Beer and ale	13	0.20	3⅝	5.5
Herff Jones Co. School rings & pins	23	0.50	8	6.2
Hershey Creamery Produces dairy products in Pennsylvania	26	2.50	33	7.6
Hettrick Manufacturing Co. Canvas products	21	0.60	9¼	6.5
Heywood-Wakefield Co. Maker of furniture	15	0.50	14	3.6
Hibernia Bank (San Fran.)	10	3.00	60	5.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
e Plus 4% dividend payable in Class A stock.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Hibernia National Bank (New Orleans) Indiana drug chain	23	†1.83	62	3.0
Higbee Co. Department store	14	†1.19	27	4.4
Hines (Edward) Lumber Co. Timber logging and processing	17	f2.50	36	6.9
Holyoke Water Power Co. Electric and hydraulic power, industrial steam and real estate	88	1.20	32¼	3.7
Home Dairy Co. Operation of food markets, cafeterias and bakeries	15	0.50	8¼	6.1
Home Finance Group, Inc. Holding company—auto financing	10	0.40	10⅛	4.0
Home Insurance Co. (N. Y.) Property insurance	85	2.00	42½	4.7
Home State Life Insurance Co. Life, accident & health	*12	†0.69	59	1.2
Home Telephone and Telegraph Company of Virginia Local and long distance phone service	37	0.35	6¼	5.6
Home Title Guaranty Co. (Brooklyn, N. Y.) Title insurance	17	1.00	16¼	6.2
Hook Drugs, Inc.	23	0.30	7	4.3
Hooven & Allison Co. Ropes and twine	27	15.00	91	16.5
Hoover Co., class A Vacuum cleaners	15	g0.80	16½	4.8
Hotel Barbizon, Inc. New York City	24	20.00	520	3.8
Hotel Gary Corp. Indiana hotel	22	1.50	56	2.7
Hotel Syracuse, Inc. 606 rooms	14	2.65	30	8.8
Housatonic Public Serv. Co. Connecticut public utility company, gas and electric	16	1.40	25¼	5.5
Houston Natural Gas Corp. Southern Texas utility	22	†0.76	24⅞	3.1
Huntington National Bank of Columbus (Ohio)	46	1.80	48¼	3.7
Huston (Tom) Peanut Co. Confection and food products	21	†1.95	54	3.6
Huyck (F. C.) & Sons Manufactures papermakers' felts, industrial fabrics, precision instruments and control devices	51	1.40	27	5.2
Idaho First Natl. Bk. (Boise)	24	1.00	32	3.1
Imperial Paper & Color Corp. Manufacturer of wallpaper and chemical pigment colors	a24	1.40	25	5.6
Imperial Sugar Co. Sugar refining	20	2.10	40	5.3
Indiana Gas & Water Co., Inc. Natural gas and water utility	12	y†0.99	21	4.7
Indiana National Bank of Indianapolis	93	2.55	59	4.3
Indiana Telephone Corp. Operating public utility	17	0.375	18½	2.0
Indianapolis Water Co. Operating water utility	46	1.00	23	4.3
Industrial Bank of Commerce (New York)	23	2.00	36⅛	5.5
Industrial Mortgage & Trust Co. (Ontario) Savings, trust and mortgages	*31	4.00	79	5.1
Industrial Natl. Bank (Prov.)	a166	†1.59	40⅞	3.9
Insley Manufacturing Corp. Manufacture and sale of construction cranes, shovels, etc.	12	0.85	14½	5.9
Insurance Co. of the State of Pennsylvania Diversified insurance	38	1.40	30¾	4.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
f Plus one share Northern Mineral for each 10 shares held.
g 100% stock dividend paid in January, 1958. New shares pay a 20c quarterly dividend.
y Before adjustment, $1.00.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Inter-County Title Guaranty & Mortgage Co. Title insurance	10	5.00	220	2.3
Inter-Mountain Telephone Company Operating public utility	32	0.80	15¼	5.2
Inter-Ocean Reinsurance Co. Reinsurance—multiple lines	35	1.50	38	3.9
International Holdings, Ltd. Investment trust — hydro-electric interests	19	1.10	25	4.4
Interstate Bakeries Corp. Wholesale bread and cake bakeries	11	1.35	29½	4.6
Interstate Co. Restaurant chain	13	xx0.50	14½	3.4
Interstate Financial Corp. Small loans	17	0.80	14	5.7
Interstate Securities Co. Auto financing	*14	†0.96	16¾	5.7
Investors Mortgage Company (Bridgeport) Real estate, insurance and mortgages	27	2.05	23	8.9
Iowa Public Service Co. Electricity supplier	19	0.80	16⅜	4.9
Iowa Southern Utilities Co. Public utility, electric and gas	13	1.28	26	4.9
Irving Trust Co. (N. Y.)	52	†1.58	33¾	4.7
Ivey (J. B.) & Co. Department store chain	27	1.00	17	5.9
Jacksonville Gas Corp. Operating public utility	14	0.03	9½	0.3
Jahn & Ollier Engraving Co. Photo-engraving	25	0.25	3⅝	6.9
Jamaica Water Supply Co. Long Island water supplier	40	2.00	36½	5.5

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 41.

James Manufacturing Co. Manufacturers of farm equipment	22	1.10	16¾	6.6
Jantzen Inc. Sportswear manufacturing	17	†0.77	20¼	3.8
Jefferson Electric Co. Electrical devices	24	0.60	9⅜	6.4
Jefferson Standard Life Ins. Life insurance	46	1.25	76½	1.6
Jenkins Bros. Valves	23	2.00	42	4.8
Jersey Farm Baking Co. General baking	12	0.25	n.a.	--
Jersey Insur. Co. of N. Y. Multiple line insurance	a25	1.54	31½	4.9
Jervis Corp. Refrigerators and stove hardware	19	0.45	5¾	7.8
Johansen Bros. Shoe Co. Shoes for women	19	0.15	3¾	4.0
Johnson Service Co. Temperature and air conditioning controls	*23	2.00	67½	3.0
Jones & Lamson Machine Co. Lathes, grinders, comparators, threading dies	22	1.75	23½	7.4
Joseph & Feiss Co. Manufacturers men's clothing	19	†0.29	6¼	4.6
Joslyn Manufacturing & Supply Co. Electrical and communication pole line equipment	23	2.00	44½	4.5
Julian & Kokenge Co. Women's shoes	30	1.35	16½	8.2
Kahler Corp. Hotels, restaurant and laundry operator	42	1.70	31	5.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
xx Plus 5% stock dividend.

The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Kalamazoo Veg. Parchm't Co. — Pulp and paper, specializing in food protection papers	32	†1.47	31½	4.7
Kanawha Valley Bank (Charleston, W. Va.)	*73	8.00	175	4.6
Kansas City Fire & Marine Insurance Co. — Multiple-line insurance	22	1.25	24¼	5.2
Kansas City Life Ins. Co. — Non-participating life	*34	8.00	1,270	0.6
Kansas City Structural Steel — Buildings, bridges and tanks	10	1.00	18	5.6
Kansas City Title Insurance Company — Title insurance, abstracts, escrow	18	2.50	55	4.5
Kansas-Neb. Natural Gas Co. — Natural gas production, transmission and distribution	21	1.80	38¾	4.6
Kearney (James R.) Corp. — Utility equipment	21	1.05	16	6.6
Kearney & Trecker Corp. — Milling machines	16	0.30	6¾	4.4
Kellogg Co. (Battle Creek) — Leader in dry cereals	35	1.85	54	3.4
Kendall Company (The) — Surgical dressings, elastic goods, textile specialties and pressure-sensitive industrial tapes	18	2.00	36½	5.5
Kendall Refining Co. — Producing, refining and marketing of petroleum and its products	56	1.30	18¾	6.9
Kennametal Inc. — Hard carbide compositions, cutting tools and specialties	15	1.15	20½	5.6
Kent-Moore Organization — Service station equipment	10	1.00	13	7.7
Kentucky Central Life & Accident Insurance Co. — Non-participating life	20	5.00	85	5.8
Kentucky Stone Co. — Crushed stone	16	2.00	37½	5.3
Kentucky Utilities Co. — Electricity supplier	19	1.31	30⅝	4.3
Kerite (The) Company — Manufacture insulated wire and cable	26	2.00	29	6.9
Kings County Trust Company, Brooklyn, N. Y.	68	4.00	85	4.7
Kingsburg Cotton Oil Co. — Cotton seed products	11	0.20	2	10.0
Kingsport Press, Inc. — Book manufacturing	14	†0.77	28	2.8
Kinney Coastal Oil — Crude oil produced	16	0.17	2⅜	7.2
Kirsch Company — Manufacture venetian blinds, drapery hardware	12	1.00	14½	6.9
Kittanning Telephone Co. — Communication	40	1.25	25	5.0
Knights Life Insurance Co. of America — Life insurance	37	1.00	76½	1.3
Knudsen Creamery — Wholesale dairy products, Southern California	18	1.15	28	4.1
Koehring Co. — Earth moving and construction equipment	17	0.85	14⅞	5.7
Kuhlman Electric Co. — Transformers and metal smelting furnaces	12	0.65	14¾	4.4
Kuner-Empson Co. — Canned vegetables, bottled pickles	12	0.30	3	10.0
Kuppenheimer Co.	17	1.00	16½	6.1
La Salle Natl. Bk. (Chicago) — Makes and wholesales men's clothing	10	2.70	72	3.8
Laclede Steel Co. — Basic steel manufacturer	47	8.00	125	6.4
Lake Superior Dist. Pwr. Co. — Public utility (electric, gas and water)	21	1.20	24½	4.9
Lakeside Laboratories, Inc. — Pharmaceutical products	10	1.20	50	2.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 30

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The Treasury new money raising operation went over, since subscriptions were well in excess of the amount which was offered and as a result allotments in excess of $50,000 for the 3½% notes were 35%, whereas allotments on the 219-day special Treasury bill, above $100,000, were on the basis of 44%. The tax and loan account of commercial banks were used to make payments for these issues which, in some measure, helped the oversubscription for the new money obligations of the Treasury. In spite of the sizable oversubscription for the 3½% note and the set price on the special Treasury bill, which was offered at the discount, both of these securities were not able to hold the offering price, even though the return in both cases was considered to be generous.

It is believed that the recent downtrend in yield of the regular Treasury bill rate is temporary. On the other hand, another sharp upswing should bring a rise in the discount rate, since the Central Bank rate usually does not lag too long or too far behind the rate at which the member banks can borrow from Federal.

Government Market Victim of Inflation Bias

The government market continues to compete with the inflation psychology which is being very well expressed through the continual upward trend in prices of common stocks. It is evident that there is a very strong inflation fear in this country and in order to protect against the continued erosion of the monetary unit, funds are being put to work in equities. The sharp uptrend in prices of common stocks in the last few months, which followed the severe decline that started in the fall of 1957, can be attributed largely to the strong inflation bias which pervades among those with investment funds.

All Fixed Income Investments In Same Boat

With hedging against the continual decrease in the value of the monetary unit being carried out mainly through the purchase of equities, there has been a rapidly decreasing interest in the purchase of fixed income bearing obligations, and this is especially true of the government intermediate and long-term bonds. In justice to the bond market, however, it should be said that the flow of new issues of corporates and tax-exempts has not been affected very much by the flight of funds into equities, because the level of return on these obligations has been high enough to attract money from institutions that are not interested in putting the bulk of their resources in common stocks. In most instances the need to hedge against inflation is not paramount among these bond buyers, since what they have to pay out is stated in dollars and not in the purchasing power of the dollar.

The much better competitive position of corporate and tax-exempt bonds, in comparison with Treasury bonds, is because of the higher yield which is available in the non-Federal obligations. The higher interest rate which has to be paid for corporate new issue flotations does not matter too much to the issuer, since more than 50% of this cost is absorbed by the government in the form of income taxes.

Market Trend Unsatisfactory

The unfortunate position which the Treasury finds itself in has not been exactly a favorable factor as far as the government market is concerned. There is a staggering peacetime deficit that has to be financed (estimated at more than $12,000,000,000), in addition to the maturing obligations which have to be provided for. The recently offered short-term issues which were floated to raise new money for the Treasury were considered to have been on the liberal side as far as the yield was concerned. Yet these two issues went to a discount from the offering price, and at the same time carried the whole bond market down with them, and that went for corporates as well as the tax-exempt obligations. The fact that the Treasury has a sizable refunding operation to take care of in December, and must raise in addition three or four billions of new money at that time, does not exactly make one bullish on the government market after the way in which the recently introduced short-term issues have acted.

Looking Towards December

Although the December operation is nearly a couple of months away, it is nonetheless getting attention already from the money market. The talk that an intermediate or long-term government issue will be part of the year-end financing is not creating an atmosphere that is exactly conducive to throwing one's hat in the air because of a great feeling of glee. Also, as long as the inflation psychology continues to be strong, the bond market is not likely to be something to shout about.

Richard Harrison Adds

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Claude H. Funck has been added to the staff of Richard A. Harrison Inc., 2200 Sixteenth Street.

Continued from page 3

Resolving on a State Level Competitive Banking Problems

for new savings bank branch offices.

Branch Banking

In this matter of bank expansion through branches, we have been continuously mindful of the fact that growth in population and business has required more bank facilities in the interest of improved public service. The Department therefore since 1955 has approved 92 branch applications for bank and trust companies; 15 for savings banks, and five for savings and loan associations. These have all been approved only after lengthy consideration of the factors involved in serving the public convenience and necessity and the probability factors for the successful operation of the particular branch in question.

This problem of branches has had some troublesome ramifications. Federally chartered institutions within the State of New York present their branch applications to the Federal authorities. I have consistently attempted to arrive at policy which both the Federal authorities and we in New York could follow to permit orderly expansion through branching in our state. These efforts have not been entirely successful but we are still devoting considerable time to the problem.

In this connection it is but fair to note that our state-chartered savings and loan associations are finding themselves at a considerable disadvantage in relation to the Federally chartered associations and even as regards savings banks, restricted as they are to but a single branch. In the past few years we have lost 12 state associations through conversion to Federal charter. Diverse reasons were involved here but we cannot blink away the fact that it is not reasonable so to restrict our state-chartered associations that they have substantially less opportunity than their counterparts under Federal charter.

So far our mutual savings banks have not been involved in this problem of maintaining state authority as opposed to national authority for the simple reason that there are no Federal charters for savings banks. To be realistic, however, we must take cognizance of the study the savings bankers are giving to the possibility of seeking Federal charters for mutual savings banks. As I have said in the past and will say again, I believe the dual banking system is a good one and I cannot therefore logically say that there should be no Federal charter for savings banks. However, to my mind, it would be a pity if frustration of savings banks within the State of New York should be the principal cause of their looking elsewhere.

Undoubtedly, there are many who are thoroughly discouraged by savings banks' recent setbacks—the developments in Chicago last week and the failure of the New York Legislature to resolve their branch problems. I daresay that even now, many are in the depths of self-pity. Nor are they alone in this state of mind, for it must be clear to us all that some bankers, to judge by their public statements, seem to believe that retention of our state and Federal banking laws as they are at present would be utterly disastrous. Other bankers would have you believe that their doom is sealed if the laws *are* changed. In my opinion, this is indeed an unnecessarily pessimistic, if not near hysterical attitude.

I believe that if you will attempt, as I have tried, to keep historical perspective upon our problems, we will be able to deal with our difficulties objectively and optimistically. I am aware that you are thoroughly familiar with your own history but to clarify what I mean by perspective, let me remind you that our present remarkably efficient financial mechanism is the product of many years of growth, interchange, and development.

Let me begin by citing first some commercial bank history. Those bankers who think it is catastrophic when the powers of rival institutions are expanded might well ponder these few historical developments.

Lessons From Commercial Banking History

When the National Bank Act was passed in 1863, state bankers naturally believed that the nationalization of commercial banking in the United States had been achieved for all time. A monopoly to issue notes had been granted to the national banks by Congress, and the Comptroller of the Currency in that year said bluntly that "the national banks were intended to supersede the state banks as both cannot exist together." His crystal ball was cloudy but no more so than that of the state supervisors and bankers who agreed with him. At the time, the cries of anguish were loud and frequent. After a time the national banks, in turn, lost the note-issue privilege, but by then it made little difference because they had learned to operate very well without it.

In the meantime, state banking after a brief hiatus came to life with such vigor that within a short period the national bankers were convinced that *they* were the underprivileged of the banking world.

This feeling of being discriminated against naturally led the national bankers into concerted efforts to improve their position. This, they accomplished fairly quickly, if we may speak in historical terms. Whereas savings accounts and time deposits were once almost universally considered the province of savings institutions, after the Civil War the national banks and state-commercial banks began accepting these deposits and expanded their activities accordingly.

At the present time, there is no need to stress the fact that both national and state-commercial banks have clear authority to engage in the savings account and other time deposit business and that this has not only become a very substantial part of their banking activity but has become a *major* factor in many banks.

We generally take for granted today, the fact that commercial banks may also engage in the trust business. Let me remind you that it was not until passage of the Federal Reserve Act in 1913 that national banks were authorized by law to engage in the trust business with the permission of the Federal Reserve Board. At the time, this extension of authority to national banks was fought bitterly by state bankers and extended litigation carried up to the Supreme Court was needed to settle the constitutional issues involved. In any case, by 1919 the State Superintendent of Banks in New York was able to observe that trust companies in this state had already obtained practically all of the powers of the commercial banks, including the power to discount.

Further, it was not until 1916 that a series of amendments to the National Bank Act gave the national banks authority to lend on

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Lake Superior & Ishpeming Railroad Co. — Operating railroad	34	1.85	32	5.8
Lake View Trust & Savings Bank (Chicago)	*38	10.00	475	2.1
Lamston (M. H.) Inc. — Variety store chain	14	0.50	8½	5.9
Landers, Frary & Clark — Household electrical products, etc.	71	0.25	16¼	1.5
Lang & Co. — Wholesale grocer	13	0.375	10½	3.6
Latrobe Steel — High speed, tool and die, stainless steels	20	1.00	22	4.5
Lau Blower Co. — Manufacture of air moving equip.	23	0.20	4½	4.4
Lee (H. D.) Co. — Mfr. of work, utility and play clothing	27	3.50	56½	6.2
Leece-Neville Co. — Starting-light equipment for autos and aircraft	35	0.20	5⅞	3.4
Liberty Bk. of Buffalo (N.Y.)	13	†1.41	31¼	4.5
Liberty Life Insurance Co. — Non-participating	16	1.00	90	1.1
Liberty Loan Corp. — Consumer credit	23	1.50	37	4.1
Liberty Natl. Bank & Trust Co. of Louisville	17	2.60	58	4.5
Liberty Natl. Bank & Trust Co. of Oklahoma City	23	0.80	24½	3.3
Liberty National Life Insurance Co. — Life insurance	*14	0.29	32½	0.9
Life & Casualty Ins. of Tenn. — Life, accident and health	22	0.60	21¼	2.8
Lincoln Natl. Bank & Trust Co. of Fort Wayne	18	2.40	55	4.3
Lincoln Natl. Bank & Trust Co. of Syracuse	24	†1.15	38¼	3.0
Lincoln Natl. Life Ins. Co. — Life insurance	39	1.80	196½	0.9
Lincoln Rochester Trust Co. (Rochester)	22	2.55	49	5.2
Lincoln Square Building Co. — Springfield, Ill. real estate	24	12.00	130	9.2
Lincoln Stores, Inc. — Dept. store chain in New England	28	0.40	6	6.7
Lincoln Telephone & Telegraph Co. — Operating public utility	30	2.65	54	4.9
Loblaw, Inc. — Grocery chain	20	2.00	117	1.7
Lock Joint Pipe Co. — Water and sewer pipe	22	†1.50	39	3.8
Loft Candy Co. — Leader in the candy field	15	0.20	3¼	6.2
Lone Star Brewing Co. — Lager beer	13	2.00	33¼	6.0
Longhorn Portland Cement — Manufacturer of Portland Cement	21	1.50	33¼	4.5
Lorain Telephone Co. — Operating public utility	a62	†1.37	32	4.3
Louisiana State Rice Milling Co. — Rice and by-products	17	0.60	21	2.9
Louisville Title Mortgage Co. — Title insurance on real estate	23	1.25	25¾	4.9
Louisville Trust Co. (Ky.)	15	1.35	29½	4.6
Lucky Stores, Inc. — Retail food chain in northern California	13	0.74	18⅛	4.1
Ludlow Mfg. & Sales — Jute and burlap	86	1.95	23½	8.3
Ludlow Typograph Co. — Typesetting equipment	13	3.00	47	6.4
Luminator-Harrison, Inc. — Automotive & electrical products	12	0.70	9½	7.4
Lynchburg Foundry Co. — Cast iron products	20	0.85	14½	5.1
Lynchburg Gas Co. — Natural gas supplier	15	1.00	24	4.2
Lynn Gas & Electric Co. — Operating public utility	51	1.60	28	5.7
Lyon Metal Products, Inc. — Fabricated steel products	21	†2.075	34	6.1
Macco Corp. — Oilfield construction and maintenance	10	0.60	13⅞	4.3
Macmillan Co. — Well-known book publisher	60	1.50	30½	4.9
Macwhyte Co. — Wire, rope, cables	14	1.55	20½	7.6
Mading Drug Stores Co. — Houston drug chain	12	0.60	11½	5.2
Madison Gas & Electric Co. — Public utility, gas and electric	49	1.80	50	3.6
Magor Car Corp. — Railroad rolling stock	22	2.00	23	8.7
Mahon (R. C.) Co. — Fabricated structural steel and sheet metal products	22	1.20	20	6.0
Maine Bonding & Casualty Co. — Multiple line fire and casualty company	a20	0.80	22	3.6
Manufacturers Life Insur. Co. — Life insurance	*49	2.50	253	1.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Mfrs. Natl. Bank of Detroit	19	1.80	38¾	4.6
Mfrs. & Traders Tr. (Buf.)	72	†1.19	23¼	5.1
Manufacturers Trust (N. Y.)	49	2.00	43¾	4.6
Maremont Automotive Products, Inc. — Auto parts	19	1.00	17¼	5.8
Marine Natl. Exchange Bank of Milwaukee	97	2.00	63	3.2
Market Basket (Los Ang.) — Retail market chain	19	†0.68	21¼	3.2
Marlin-Rockwell Corp. — Mfr. ball and roller bearings	34	1.25	17	7.4
Marshall & Ilsley Bk. (Milw.)	20	1.85	74	2.5
Marshall-Wells Co. — Manufactures and wholesales hardware and kindred lines	*13	11.00	300	3.7
Maryland Casualty Co. — Diversified insurance	10	1.50	36¾	4.1
Maryland Credit Finance Corp. — Auto financing	11	1.75	26¼	6.7
Maryland Shipbuilding & Drydock Co. — Ship construction, conversion, repairs and manufacturer of industrial products	24	†1.985	26½	7.5
Maryland Trust Co. (Balti.)	23	†1.91	52	3.7
Massachusetts Bonding & Insurance Co. — Diversified insurance	22	1.60	33	4.8
Massachusetts Protective Association, Inc. — Accident and sickness insurance	25	1.50	63½	2.4
Massachusetts Real Estate Co. — Real estate	23	4.50	108	4.2
Mastic Asphalt Corp. — Imprinted brick and insulating siding	20	0.20	4¼	4.7
Mathews Conveyor Co. — Conveying equipment	12	1.50	27	5.6
Matthiessen & Hegeler Zinc Co. — Producer of zinc, zinc products, sulphuric acid and ammonium sulphate	12	†0.79	31	2.5
Mayer (Oscar) & Co., Inc. — Meat processing	22	0.85	38½	2.2
McCandless Corp. — Rubber goods	12	0.05	2½	2.0
McCloud River Lumber Co. — Western softwood lumber	23	4.00	63	6.3
McCormick & Co. Inc. — Manufacturers & distributors of spices, extracts, tea, etc.	34	1.40	23¼	6.0
Meadville Telephone Co. — Operating public utility	34	2.00	31½	6.3
Mechanical Handling Systems, Inc. — Design, manufacture and installation of conveyors	22	0.10	7⅛	1.4
Medford Corp. — Lumber manufacturer	18	7.00	200	3.5
Mellon Natl. Bank & Trust	53	†3.94	125	3.2
Melrose Hotel Co. — Dallas residential and transient hotel	26	2.00	37½	5.3
Mercantile National Bank of Chicago	22	1.80	50	3.6
Mercantile Natl. Bk. (Dallas)	23	1.20	29½	4.1
Mercantile-Safe Deposit and Trust Co. (Baltimore)	91	4.75	98	4.8
Mercantile Trust (St. Louis)	56	2.85	62½	4.6
Merchandise National Bank of Chicago	24	1.00	31	3.2
Merchants Acceptance Corp. — Small loans and general financing	21	1.80	25½	7.1
Merchants Fire Assur. Corp.	46	2.00	57	3.5
Merchants Fire Insurance Co. (Colorado) — Fire and allied lines of insurance	49	0.60	10	6.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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Resolving on a State Level Competitive Banking Problems

real estate. And let me remind you that it was only after years of dispute that the national banks obtained branch banking privileges equivalent to those of the state banks in the states in which they operate.

Finds Major Substantive Powers Are Equal

More instances of major changes could be cited but these are sufficient to make my point. This broadening of the powers of the national banks has eliminated most of the differences which once existed between them and state banks. We may now say that the major substantive powers of both types of institutions are equal.

Isn't it quite apparent that this tremendous liberalization of the powers of one type of banking institution hasn't harmed its competitors? Both the state and national banking systems and savings institutions have been thriving—with keen competition to be sure.

If I may, I should like to cite some savings banks history. Even as late as 1867, you were being commended as a desirable industry on the ground that your existence would help keep wage earners out of saloons. We needn't inquire now into whether or not this was—or is so. The point is you are not the same type of institution you started out to be. Do you recall that originally savings banks could invest their funds only in government and certain state bonds. Contrast this with your present relatively broad powers to buy securities and lend on mortgages and to render many services to your depositors. You of all people should be conscious of the fact that you, too, are the products of an evolutionary process which is still going on.

Let me comment also on another major portion of our financial mechanism. The savings and loan associations, the first of which was established in 1831, came into existence because the then existing institutions were not accumulating sufficient savings from those with moderate incomes and making them available for home financing.

By 1851, the savings and loan movement had spread westward to Chicago and by 1890 savings associations were operating in every state and territory in the nation. This expansion was not accomplished without difficulty. The Superintendent of Banks in New York observed in 1919 that when he first worked in the Banking Department, New York had the worst laws regulating "building and loan associations" of any state in the union. He commented also that New York had some of the worst associations as well as some of the best. This was because most of the associations in New York were doing business under a law passed in 1851 under which it was said that one could run anything from a horse race to a camp meeting.

Needless to say, the law governing the associations was modernized in New York as well as in other states and since 1933 Federal charters have been available. Further, the establishment and evolution of the Home Loan Bank System has given this industry an institutional arrangement sometimes compared to the Federal Reserve System for commercial banks.

More recently, the credit unions have come on the scene. The first of these was founded in 1909 in New Hampshire—hardly a hotbed of radicalism. Massachusetts passed a credit union law in that same year. The movement spread to other states, and in 1934 we had a Federal Credit Union Act. At the end of 1957 there were in New York about one thousand credit unions with more than 600,000 members. Nationwide, there were more than 18,000 credit unions with nearly 10 *million* members.

We could easily sketch the origin and growth of consumer and farm cooperatives as well, but enough has been said of history. No reasonable person can escape the conclusion that these mutuals—with their roots in our nation's early years — came into being in response to legitimate, unfilled needs of the American people. When literally millions of our people have chosen to use their funds in cooperatives and to save with mutual institutions — and have been doing so for nearly a century and a half—it is patent nonsense to label these institutions as un-American—and something to be excised as alien to a free enterprise system.

They are the *products* of a free enterprise system. And I believe it is presumptuous and arrogant for critics to say that the public has been hoodwinked and mutuals should be abolished.

Now, admittedly, I have been painting with a broad stroke. But, I have said enough to indicate that each of the types of institutions we have, has developed in its own way and has attained a significant role in our economy.

Each of these groups of institutions has a major, primary function although, in fact, they do overlap. Each is working smoothly as a segment of our financial mechanism. This is true of our commercial banks as well as our mutuals.

My view is that our finely-geared banking and savings industry will inevitably continue to change, but as a Supervisor I believe we *must* have orderly change and not a wholesale, disruptive, and destrictive overhauling. That is why I will speak out, as I have in the past, in defense of any banking group subjected to continuous and intemperate attack. That is why I say today that in dealing with our current problems, each type of banker must make a special effort to see our competitive institutions as respected, useful, functioning institutions. And we must do this without merely paying lip service while actually seeking to undermine them. We must all remember that it has been because of choices by the public we serve, that these various institutions have managed to attain their present stature.

Now, the evolution of our commercial banking institutions and of our mutual institutions has been characterized by an expansion of their services. This is obvious. But, certain basic principles and characteristics remain.

Favors Larger Tax Free Reserves

With respect to commercial banks, my fellow supervisors and I, as members of the National Association of Supervisors of State Banks, are generally agreed that they should be allowed larger tax free reserves. We are fully aware that the commercial banks do not enjoy tax advantages in the same degree as the mutuals. But they are themselves still distinctive financial institutions in that they have the money-creating power, and in our own state have virtually unlimited branch offices. Furthermore, the operation of the Federal Reserve System in creating bank reserves has make it possible for our commercial banks to obtain the huge resources they now enjoy. And one final point to bear in mind is that the com-

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Resolving on a State Level Competitive Banking Problems

mercial banks are stockholder-owned and a significant result of that is that their growth in the future can be margined when necessary or desirable through the sale of new issues of stock, as many banks have done in the last few years.

Looking now at the various mutual-type institutions, we have an obviously different situation. The basic principle here has been and still is that new funds are obtained only through additional savings and that surplus and reserves cannot possibly come from owners as in commercial banks, but must come only from retained earnings. Further, all surplus and reserves exist for the protection of shareholders or depositors, as the case may be. This is the basic element in mutuality.

The recent mutual bank expulsion move within the ABA, as we all know very well, was prompted by commercial bank efforts to attain tax equality. Toward the end of the convention in Chicago, one of the savings banks' spokesmen expressed the willingness of the savings bankers to sit down with commercial bankers and attempt to compromise existing differences. This, I submit, poses for savings bankers a dilemma.

Dilemma for Savings Bankers

Last week in Chicago your industry was under heavy fire in what promises to be a full scale war for tax equality. You were successful in this first skirmish, but the more important battles remain for the future.

Just as political analysts, a reasonable time after the election results have been announced, probe deeper into the figures to determine the underlying trends, so, too, I suggest that you might review the Chicago results for a more profound meaning.

Such an appraisal cannot, of course, be approached in a partisan or unduly optimistic manner. The factors must be evaluated coldly and objectively.

Some of these factors begin to stand out even now. **First** there appeared to be a conspicuous lack of public discussion on your side of the tax question. This silence did not go unnoticed. I agree, of course, with the tactics of those of your strategists who decided to play down the tax question and advance your cause in the name of association unity. Strategy is one thing, however, and the merits of a basic question are another. You might well ask yourself whether tactical maneuvering in and of itself will suffice during the long pull. **Secondly**, it would appear that much of your support at Chicago might have come from those who, on grounds of, shall we say, "sentiment" were infatuated with your position as the plump, influential "grandma" of the financial community.

While this "grandma" anecdote gave a somewhat pleasant and comic relief to an otherwise intense debate, I respectfully submit that its implications are not such as to make you feel lastingly comfortable. Have you relied too heavily upon sentiment, not only in Chicago, but in your dealings with the New York State Legislature as well?

Finally, if you could read the minds of the individuals who cast those 1520 ballots in your favor, could you honestly, after deducting your own admittedly self-interested ballots, as well as the ballots of all those who favor tax equality, but by reason of sentiment or in the name of unity went along with your position—could you honestly, I ask, feel any elation in your victory?

Advises "Tax Equality" Action

It would be presumptuous of me to try to give you a solution to your dilemma, but this is your problem as I see it. You are deposit institutions, to be sure. But you have the characteristics of other mutual institutions. Your problem is to decide for the future how much "tax equality" you can afford in order to remain non-stockholder "banks" while preserving your "mutuality." At the same time you must decide whether your best avenue for development is with the commercial banks or rather, instead, with the other mutuals such as the savings and loan associations. And would you presume that your compromise discussions, designed to allow you to remain in the family of the bankers' association, should operate to forecast the tax laws that will govern not only yourselves but also savings and loan associations and even mutual insurance companies?

In other words, can the whole concept off mutuality be compromised by you or will it have to be abandoned in so far as you are concerned? Your problem now, and I am sure you are beginning to see it clearly, is to decide in which direction you will move and to act accordingly.

Now, my reaching into history, I hope, has served to highlight some of the major movements that have brought us where we are today. I should like, therefore, to comment more specifically on the postwar era to present our current problems as I see them. This is important, for we must plan for the future, and we must take cognizance of the realities of economic life.

Current Problems

There have been significant changes in the assets, not only of our commercial banks, but also of our savings institutions. This has been the inevitable result of a shift from emphasis on the financing of government in war time to the financing of a mushrooming private economy. In the process our lending institutions have tended to engage in a greater variety of types of loans and investments, and have ingeniously developed new services. All of this has been prompted in part by the demands of a credit-hungry public—and in part by the pressure on institutions fully to employ their resources.

Another thought comes to mind. Bankers have learned to live—not with a rigid pattern of interest rates—but with fluctuating rates and the accompanying ups and downs of earnings and market prices. This has meant that they must keep at least one eye on their liquidity positions and no doubt has sharpened their skill in investments. In short, banking now is relatively more difficult and challenging than it was during World War II and for a few years thereafter.

Nevertheless, the past decade has provided almost unbelievable opportunities for growth in the financial world. There is no doubt they have seen these — and have grasped them. I do not need to recite figures to illustrate.

These forces have caused financial institutions to seek means of adapting to a changing economy. They have sought to compete more effectively and they have sought expansion through merger, branches, or the holding company device. This, of necessity, has involved decision by the Banking Department and I believe this an

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Merchants and Manufacturers Insurance Co. of N. Y. Fire and allied lines of insurance	22	0.65	11¾	5.5
Merchants National Bank of Boston	127	2.00	46	4.3
Merchants National Bank in Chicago	20	1.50	42	3.6
Merchants National Bank of Mobile	56	3.25	81	4.0
Merchants National Bank & Trust Co. (Indianapolis)	*33	†0.78	39¼	2.0
Merchants National Bank & Trust Co. of Syracuse	18	1.36	39½	3.4
Meredith Publishing Co. Publishing and radio and television broadcasting	30	1.80	31½	5.7
Merrimack-Essex Co. (Mass.) A new company formed in August 1957 as a result of a merger of five electric subsidiaries of the New England Electric System.	a108	1.29	24½	5.3
Messenger Corp. Manufacture and sales of funeral director service, religious calendars and greeting cards	22	0.50	10½	4.7
Metal Forming Corp. Mouldings and tubing	12	0.50	6⅝	7.5
Metals & Controls Corporation Strip metal	19	0.80	33½	2.4
Metropolitan Storage Warehouse Co. General warehouse	27	2.75	31	8.9
Meyercord Co. Decalcomanias	17	0.425	6⅛	6.9
Michigan Gas & Electric Co. Electric and gas utility	12	†1.68	55	3.1
Mich. Natl. Bank (Lansing)	17	†0.88	38	2.3

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 41.

Michigan Seamless Tube Co. Sheet tubing	19	1.50	24¼	6.2
Middle States Telephone Co. of Illinois Operating public utility	19	0.90	20¾	4.3
Middlesex County Natl. Bank (Mass.)	22	†2.16	46	4.7
Middlesex Water Co. Operating public utility	45	3.00	51½	5.8
Midwest Rubber Reclaiming Mfrs. of reclaimed rubber	21	1.25	14⅝	8.5
Miles Laboratories, Inc. Alka Seltzer	64	1.42	46½	3.1
Miller Mfg. Co. Tools for auto and engine repair	16	0.275	3⅞	7.1
Miller & Rhoads, Inc. Richmond (Va.) department store	12	1.20	21¼	5.6
Millers Falls Co. Tools	*21	0.75	12½	6.0
Minneapolis Gas Co. Natural gas distributor	a39	1.425	28¾	5.0
Mississippi Glass Co. Rolled glass, wire glass, etc.	11	2.10	31½	6.7
Mississippi Shipping Co. Steamship operators	33	†1.14	14¾	7.7
Miss. Valley Barge Line Commercial carrier; freight on rivers	16	0.90	14⅛	6.4
Mississippi Valley Public Service Co. Operating electric utility	24	1.40	26½	5.3
Missouri-Kansas Pipe Line Holding company	18	3.60	100	3.6
Missouri Utilities Electricity and natural gas	16	1.36	25¼	5.4
Mobile Gas Service Corp. Operating public utility	14	1.00	22	4.5
Mode O'Day Corp. Women's and children's apparel	11	0.75	14¼	5.3
Mohawk Petroleum Corp. Oil production	13	1.20	27	4.4
Mohawk Rubber Co. Rubber mfg.: tires, tubes, camelback and repair materials	17	†0.99	30	3.3
Monarch Life Insurance Life, accident & health insurance	26	0.50	36	1.4
Monarch Mills Sheetings and print cloths	24	0.75	23¾	3.2
Montana Flour Mills Co. Flour and feeds	18	0.20	20	1.0
Monumental Life Ins. (Balt.) Life insurance	30	†1.05	93	1.1
Moore Drop Forging Co. Rough & machined drop forgings	19	0.90	11⅞	7.6
Moore-Handley Hardware Hardware wholesaler	11	0.525	7¼	7.2
Morgan Engineering Co. Produces mills, cranes, etc.	11	†1.28	22¼	5.8
MORGAN (J. P.) & CO. INC. ● See Bank's advertisement on page 7.	18	10.00	282	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Morris Plan Co. of California Industrial loan company	33	2.10	37	5.7
Morrison-Knudsen Co., Inc. Construction—heavy engineering	22	1.60	31	5.2
Mosinee Paper Mills Co. Sulphate pulp and paper	18	1.40	25¾	5.4
Motion Picture Advertising Service Co. Advertising films	15	0.75	n.a.	--
Motor Finance Corp. Auto financing and insurance	33	4.00	80	5.0
Murray Co. of Texas Cottonseed oil	13	1.25	21½	5.8
Mystic Valley Gas Co. Natural gas distributor	a63	2.25	30	7.5
National Aluminate Corp. Water and petroleum treatments and industrial chemicals	30	1.20	32½	3.7
National American Bank of New Orleans	*27	16.00	395	4.1
Natl. Bk. of Comm. (Houston)	19	†2.78	106	2.6
National Bank of Commerce in Memphis	19	2.00	49½	4.0
National Bank of Commerce in New Orleans	24	p1.00	24¾	4.0
National Bank of Commerce of Norfolk	69	h2.00	55¼	3.6
National Bank of Commerce of San Antonio	56	1.60	56	2.9
National Bank of Detroit	23	2.00	52¾	3.8
National Bank of Toledo (Ohio)	18	1.50	38	3.9
National Bank of Tulsa	14	†0.97	41	2.4
National Bank of Washington (Tacoma)	52	†1.93	41½	4.7
National By-Products, Inc. Animal products	21	0.40	5½	7.3
National Casualty Co. Accident, health, casualty insur.	25	1.50	48	3.1
National Chemical & Mfg. Co. Paints and related products	19	1.00	16¼	6.2
Natl. City Bank of Cleveland	22	2.40	70	3.4
National Commercial Bank & Trust Co. (Albany, N. Y.)	103	1.05	28	3.8
Natl. Fire Ins. Co. of Hartf'd Diversified insurance	88	1.60	80	2.0
National Food Products Corp. Holding company; chain food stores	18	†1.09	26	4.2
National Life & Accident Insurance Co. (Nashville) Life, accident and health	*33	†0.525	84½	0.6
National Lock Co. Mortise locks	17	0.90	22	4.1
National Newark & Essex Banking Co. (Newark)	153	3.00	58	5.2
National Oats Co. Cereals, animal feeds	32	0.60	13½	4.4
National Reserve Life Insurance Co. Participating & non-participating	15	0.60	138	0.4
National Screw & Mfg. Co. Screws, bolts and nuts	68	2.75	40	6.9
Natl. Shawmut Bk. (Boston)	*61	2.20	44½	4.9
National Shirt Shops of Del. Chain, men's furnishings	19	0.90	12⅝	6.6
National State Bk. (Newark)	146	†2.23	45¾	4.9
National Tank Co. Manufactures and sells oil field equipment	11	1.20	22½	5.3
National Terminals Corp. Midwest storage facilities	14	1.25	16½	7.6
National Tool Co. Mfg. of precision cutting tools	14	†0.09	3⅝	2.5
National Union Fire Insur. Diversified insurance	24	2.00	37¾	5.3
Nazareth Cement Co. Pennsylvania producer	13	2.00	32½	6.2
Nekoosa-Edwards Paper Pulp and papers	17	†0.64	18¼	3.5
New Amsterdam Casualty Diversified insurance	21	1.90	41¾	4.6
New Britain Gas Light Co. Public utility, gas	99	2.00	35	5.7
New Britain Machine Machine tools	22	2.20	27	8.1
New Brunswick Telephone Co. Operating public utility	50	0.60	13	4.6
NEW ENGLAND GAS & ELECTRIC ASSOCIATION Owning investments in several operating utility companies ● See Company's advertisement on page 34.	11	1.00	19	5.3
New England Lime Co. Lime products	11	0.50	15½	3.2
New Hampshire Fire Ins. Multiple line insurance	89	2.00	40⅜	5.0
New Haven Board & Carton Co. Paper board and printed folding boxes	13	0.15	7¾	1.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
h New annual rate.
p New stock now on $1 annual rate. A 2-for-1 split was effected Jan. 14, 1958 and a 10% stock dividend was declared at the same time.
n. a. June 30, 1958 quotation not available.

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Resolving on a State Level Competitive Banking Problems

opportune time to review our approach as a supervisory agency.

Solution to Holding Company Bid

One of the basic premises on which we have consistently operated is that control over banking in New York State should rest, in so far as it is possible, with state authorities. For this reason we took prompt action in opposition to the holding company proposal put before the Board of Governors by The National City Bank and The County Trust Company. In our view, this would have permitted expansion of commercial banks across existing district lines and thus would have effectively contravened our branch banking limitations. Fortunately, our efforts, combined with those of others, put sufficient considerations before the Board of Governors that it chose to deny the holding company application. Subsequently, First National City Bank has announced its intention not to have recourse to courts in this matter and we in New York now have an opportunity to come up with a solution to the problem which precipitated the holding company application in the first place.

Let me now speak of something less conspicuous but equally important in the policies of the Banking Department in the past four years. We have recognized that the economic changes I briefly summarized above have made changes in our Banking Laws necessary with respect to loans and investments. Some time ago I took the initiative and solicited the aid of the New York Clearing House Association in a study of our Banking Law. The New York Clearing House Association did a thoroughly competent, commendable job in analyzing the Banking Law and in working for specific changes. These changes have benefitted the commercial banks in that they have clarified and modernized the law governing the banks' loans and investments. Commercial bankers, I am sure, will recall the specific provisions of law to which I refer, provisions which perhaps only they fully appreciate, and I will not attempt to detail.

With respect to savings banks, savings and loan associations and credit unions, we have given serious study to all industry proposals to liberalize the loan and investment powers of these institutions. I am sure all of you are aware of the nature and extent of amendments to the law which have permitted these savings institutions to meet more realistically the present demands of the public for credit. We believe we have been able to liberalize the laws without jeopardizing in any way the safety of these institutions.

In short, we have made in the last few years what I consider to be unusual progress in modernizing our law with respect to the ability of our institutions to serve the public adequately and effectively. Such, unfortunately, has not been the case with our continued efforts to modernize the branch, merger and holding company provisions of our state law.

Regaining Historical Banking Leadership

It is appropriate here to remind all of our New York bankers that the voice of banking in Washington this past year has been about as ineffective as it is possible to imagine. Congress passed no major piece of legislation that the banking industry really wanted.

Now it seems to me that we here in New York, cognizant of the futility which has characterized efforts to modernize both Federal and state law, should regain the leadership in banking which historically has been ours. If we in New York fail to take positive steps to solve our banking structure problems, we will be saying in effect to the Congress that the problem is too great for us. This would be most unfortunate.

This is where we stand now. The 1959 Legislative Session will provide us with another opportunity to bring about the changes we so desperately need in our banking structure. It appears to me that 1959 will have to be the year of decision in these matters and I believe that it will be.

My optimism for the future is based on certain considerations wihch seem rather decisive to me. One of these is the fact that all major segments of the banking industry have been made acutely aware of the specific problems which confront us. Intensive study of these problems has given us all the facts we need as a basis for judgment, and bankers have had every opportunity to familiarize themselves with opposing viewpoints. Also, the numerous studies, hearings, and discussions of banking problems have enabled our legislators to become well informed and have provided them with ample data as a basis for determination of legislative policy.

Deplores Resort to Financial Institutions Act

Finally, I am convinced that our financial community and responsible members of the Legislature recognize that if New York State is to stand as an exemplary banking state, it must put its house in order. We should not have the pure futility that characterized the efforts of bankers to get legislation— such as the Financial Institutions Act—through Congress. It seems to me we must demonstrate to national authorities an indispensable element—that is, that we at least know what we want in New York State. There has been some doubt on this point up to now.

The 1958 Legislative Session in New York closed in somewhat of an atmosphere of futility with respect to banking problems. And yet, there were encouraging signs which I think we should bear in mind. You will recall that the bill extending into 1959 the "freeze" on holding company expansion very nearly failed of passage. It was rescued in the eleventh hour and was put on the books for another year. I believe many legislators must realize that the necessity for a third enactment of the holding company "freeze" bill indicated that there had been inexcusable indecision and vacillation in establishing a banking policy for this state.

At the close of the 1958 Session, one leading Assemblyman expressed the disappointment felt by legislative leaders at the failure of the Joint Legislative Committee to evolve a program dealing with the complex and controversial demands pending for revision of the Banking Law. He said, further, that a comprehensive omnibus banking bill would be approved in the Assembly next year, and that "failure of the Legislature to act on banking problems could result in a 'depreciation' of the New York banking system and pose a threat to New York's status as 'the financial capital of the world.'"

This attitude, shared by others in the Legislature I am sure, gives us reason for hope. The one missing ingredient, as I see it at this point, is more substantial agreement among bankers than we have had heretofore so that they can speak as an industry rather than as a conglomeration of special interests.

I believe fair-minded and foresighted bankers are aware of the need for agreement. I venture to say that the moderate, reasonable bankers of this state will finally assume their rightful place in speaking for the banking industry. I hope that next year they will speak so loudly and so clearly that they will drown out the raucous and self-seeking minorities which, until now, have accomplished nothing but obstruction.

Raymond Passavant Now With Lester, Ryons Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Cal.—Raymond Passavant Jr. has become associated with Lester, Ryons & Co., 623 South Hope Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Passavant, who has been in the investment business in California for many years, was formerly with Walston & Co., Inc. In the past he was manager of the trading department for Maxwell, Marshall & Co.

Morgan Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Cal. — Michael S. Berry has been added to the staff of Morgan & Co., 634 South Spring Street, members of the Pacific Coast Stock Exchange. He was formerly with Marache, Dofflemyre & Co.

Railroad Securities

Norfolk & Western Railway

Norfolk & Western Railway is one of the country's largest carriers of bituminous coal, being exceeded only by the Chesapeake & Ohio Railway. Soft coal provides almost 90% of tonnage and since the road has only a relatively minor passenger business problem, it can rapidly bring operating costs under control.

This has been demonstrated in recent months when only a small pickup in carloadings enabled the road to expand its profits margin. August was the best month the carrier has had so far this year and September showed further improvement. The gap between traffic this year and last is beginning to narrow. This is partly due to increased shipments in recent months but also to the start of the decline in general business activity a year ago.

In general the export movement of coal continues at low levels because of a drop in business activity abroad and also from stockpiling which has brought about a surplus of coal. In addition, it is understood that exports from Great Britain and Poland have been showing increases. Export of coke coal continues at a satisfactory rate.

Inventories of coal in this country have been reduced over the past year, and the pickup in manufacturing activity has played a large part in improved shipments. Much depends, of course, on the climbing rate of steel operations and production in the automotive industry. If these two industries should continue at a good rate of operation, it is likely that bituminous shipments in the final weeks of this year will about equal those of a year ago.

Increased efficiency has played a large part in the improvement of earnings of the Norfolk & Western. In the month of August the carrier reported net income of $4,840,079, equal to 85 cents a common share, or the second highest net income reported for any August, being exceeded only by the $5,134,434 or 90 cents a share reported for the like 1957 month of August. August also was the first month this year in which the road reported net income in excess of $4,000,000 and it is interesting to note that this was accomplished despite a drop in gross revenues of about $4,000,000 from that of August 1957. Gross revenues totaled $19,118,185, approximately $1,000,000 more than in June, the previous high month of this year, but down about 17% from the $23,103,048 reported in August last year.

Sharp control over expenses played a large part in the showing. Operating expenses for maintenance of way and structures and equipment, and transportation expenses were cut to $9,590,176 from $12,612,556 in the like 1957 month. Total operating expenses in August were 23% down from the year ago month. The road claims it was able to reduce expenses without any material deferred maintenance. It has been officially stated that it does not have any substantial amount of deferred maintenance.

While carloadings for the first eight months of the year dropped more than 26% under a year ago, loadings in the first few weeks of September were only about 5% under last year. Net income last year equalled $7.75 a common share and, even with the present pickup in traffic, it is doubtful that the road can approach this net with expenses under good control. If September net income approximated around $4,000,000, or 73 cents a share earned in the like 1957 month, earnings for the first nine months of this year would amount to $4.50 a common share as compared with $5.75 a share reported for the first three-quarters of last year.

Directors of the road are scheduled to meet for dividend action on Oct. 28 and, in addition to the regular quarterly dividend of 90 cents a share, there is a good possibility that in view of the recovery in earnings in recent months, that the Norfolk & Western again will pay a year-end extra dividend of 40 cents a share. This seems possible also in view of the road's strong financial position.

Wallich Gets Post in Treasury Department

Research economist, writer and university professor made new Treasury aide.

Henry C. Wallich of New Haven, Conn., who is on leave from his position of Professor of Economics, Yale University, became an Assistant to the Secretary of the Treasury, effective Oct. 1, 1958.

Henry C. Wallich

Mr. Wallich will conduct economic studies on a variety of problems, such as the impact of Federal taxation and the budget on the economy, and other related matters. The position which Mr. Wallich will fill is a new one and will not cover presently existing functions.

Mr. Wallich was in the investment business in New York in the 1930's. From 1941 to 1951 he was with the Federal Reserve Bank of New York and for five of these years, Chief of the Bank's Foreign Research Division. He has been Professor of Economics at Yale since 1951.

Mr. Wallich has written widely in the field of monetary problems and economic development and has served as consultant to a number of financial institutions and to several United States Government agencies.

He attended Munich University and Oxford, and received a Ph.D. from Harvard.

Mr. Wallich is a member of the American Economic Association, and the Council on Foreign Relations. He is married to the former Miss Mabel Inness Brown and has two daughters. He will reside in Chevy Chase, Maryland.

Joins Walston Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Cal. — Sheldon B. Haas is now affiliated with Walston & Co., Inc., 550 South Spring Street.

Two With Jas. Fallon

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Cal. — Lennart Jakell and Charles G. H. Tassill have become connected with James L. Fallon Co., 7805 Sunset Boulevard. Mr. Jakell was previously with Daniel D. Weston & Co., Inc.

Continued from page 33

The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
New Haven Gas Co. Operating public utility in Conn.	108	1.80	35¼	5.1
New Haven Water Co. Operating public utility in Conn.	79	3.20	64½	5.0
New Jersey Bank & Trust (Paterson, N. J.)	a90	i1.50	29½	5.1
New York Fire Insurance Co. Fire, marine, multiple peril insurance, and allied lines	25	1.50	28	5.4
New York Trust Co.	64	3.625	83½	4.3
New Yorker Magazine Publishes "The New Yorker"	29	3.20	46	7.0
Newport Electric Corp. Rhode Island utility	19	1.10	19¼	5.7
Niagara Lower Arch Bridge Joint operator of Whirlpool Rapids Bridge	a101	2.00	45	4.4
Nicholson File Co. Manufactures files, rasps & saws	86	1.20	17½	7.1
900 Michigan Ave., North, Corp. Chicago real estate	13	1.00	23½	4.3
No-Sag Spring Co. Furniture and bedding springs	21	0.50	9¼	5.4
Norfolk County Trust Co. (Brookline, Mass.)	21	1.90	35½	5.4
North American Life Insurance Co. Life, accident & health	18	†0.19	17⅜	1.1
North American Refractories Fire brick & refractory materials	11	†1.98	29	6.8
North & Judd Wide variety of hardware	95	1.70	25	6.8
North River Insurance Co. Diversified insurance	120	1.40	34¼	4.1
North Shore Gas Co. (Ill.) Retail distributor of natural gas in Illinois	15	0.875	20⅜	4.3
Northeastern Ins. of Hartford Reinsurance	12	0.33	9¼	3.6
Northeastern Pennsylvania Natl. Bank & Trust Co.	a95	2.50	43	5.8
Northern Engineering Works Cranes and hoists	*18	0.70	9½	7.4
Northern Insurance (N. Y.) Diversified insurance	*48	2.80	86	3.3
Northern Life Insurance Co. Life, accident and health	46	1.55	120	1.3
Northern Ohio Telephone Co. Operating public utility	31	1.60	50	3.2
Northern Oklahoma Gas Co. Operating public utility	22	1.00	16¾	6.0
Northern Trust (Chicago)	62	†11.40	445	2.6
Northwest Engineering Co., Class A Excavating machinery	22	2.25	38½	5.8
Northwestern Fire & Marine Insurance Co. Fire and casualty insurance	48	1.00	43	2.3
Northwestern National Insurance Co. (Milwaukee) Multiple line insurance	85	2.25	75	3.0
Northwestern National Life Insurance Co. Life insurance	22	1.50	85	1.8
Northwestern Public Service Electric and gas public utility	12	1.00	18⅞	5.3
Northwestern States Portland Cement Co. Mfr. and sale of Portland cement	26	†1.44	52	2.8
Noxzema Chemical Co., Cl. B Distributes "Noxzema" shaving cream and medicated cream	35	1.00	18½	5.4
Noyes (Charles F.) Co. Real estate	15	6.00	57	10.5
Ohio Brass Co., Class A Metal products	25	4.00	50	8.0
Ohio Casualty Insurance Co. Diversified insurance	36	0.54	22½	2.4
Ohio Citizens Trust Co. (Toledo)	23	†1.53	40	3.8
Ohio Forge Machine Corp. Gears, speed reducers, etc.	22	3.00	35	8.6
Ohio Leather Co. Tannery	27	1.35	19	7.1
Ohio National Life Insurance Company Life insurance	38	1.25	37	3.4
Ohio State Life Insur. Co. Life, accident and health	*34	2.00	265	0.8
Ohio Water Service Retails treated water; wholesales untreated	22	†1.49	29½	5.1
Oilgear Co. Hydraulic machinery	*16	2.40	35¼	6.8
Old Ben Coal Corp. Marked coal	11	0.65	11½	5.7
Old Kent Bank and Michigan Trust Co. (Grand Rapids) Formerly Old Kent Bank	29	1.50	32½	4.6
Old Line Life Insurance Co. of America Life, accident and health	a46	1.25	44	2.8
Old Republic Life Insurance Company (Chicago) Life, accident and health	a22	1.00	26	3.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
i Annual rate is indicated.

The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Olympia Brewing Co. — Brewing	23	2.00	35	5.7
Omaha National Bank	23	2.00	62	3.2
Oneida, Ltd. — Manufacture sterling, silverplate and stainless tableware	22	1.00	16⅞	5.9
Onondaga Pottery Co. — China tableware	15	1.20	22½	5.3
Opelika Manufacturing Corp. — Towels and linens	*10	†0.77	14	5.5
Orange County Telephone Co. — Operating public utility	50	0.80	30	2.7
Orange & Rockland Electric Co. — Merged in February 1958 with Rockland Light & Power to form Orange & Rockland Utilities, Inc. Each old common exchanged for 3¾ share of new common.				
Orange & Rockland Utilities, Inc.	*44	0.875	19⅝	4.5
Orangeburg Manufacturing Co. — Manufacture bituminized fibre pipe, conduit and underfloor	22	†1.17	23¾	4.9
Orpheum Building Co. — San Francisco office-theatre bldg.	20	0.40	5½	7.3
Osborn Manufacturing Co. — Manufacturers of industrial brushes and foundry machinery	35	1.20	17	7.1
Oshkosh B'Gosh — Complete line of work clothing and matched sets	23	†1.50	20½	7.3
Otter Tail Power Co. — Utility; Dakotas and Minnesota	20	1.60	30½	5.2
Pacific Car & Foundry Co. — Makes railway cars	15	0.85	26½	3.2
Pacific Employers Insurance Co. — Diversified insurance	23	0.90	20	4.5
Pacific Insurance Co. of New York — Formerly Pacific Fire Insurance (N. Y.). Name changed May 1957. Multiple line insurance	53	2.40	48½	4.9
Pacific Intermountain Exp. — Motor freight; Western States	11	†0.77	11⅞	6.5
Pacific Lumber Co. — Planning mill products	22	10.00	210	4.8
Pacific Natl. Bank of Seattle	30	1.00	26½	3.8
Pacific Power & Light Co. — Electric operating utility	11	1.60	36	4.4
Pacific Vegetable Oil Corp. — Vegetable oil trading and manufacture	16	†0.93	19	4.9
Package Machinery — Automatic wrapping machines	41	1.00	16¼	6.2
Packard-Bell Electronics — Radio, TV-electronics; garage door openers; hollow core doors	10	0.50	13⅛	3.8
Pacolet Manufacturing Co. — Textile manufacturing	22	7.50	146	5.1
Panama Coca-Cola Bottling — Beverage bottling	*29	0.45	7½	6.0
Paragon Electric Co. — Automatic time controls	11	1.00	13	7.6
Passaic-Clifton Natl. Bank & Trust — Merged in June 1958 with County Bank & Trust Co. (Patterson) to form New Jersey Bank & Trust Co. Stockholders receive one share for each 1¼ held.				
Paterson Parchm't Paper Co. — Vegetable parchment, waxed and custom made papers	67	0.50	9⅝	5.2
Pearl Brewing Co. — Beer producers	19	1.30	18⅜	7.1
Peden Iron & Steel Co. — Hardware	21	1.75	30	5.8
Peerless Insurance Co. — Diversified insurance	*30	1.00	23½	4.3
Pemco Corp. — Porcelain, enamel and ceramic frits and colors	*14	6.00	57½	10.4
Pendleton Tool Industries, Inc. — Mechanics hand tools	20	0.85	14¾	5.8
Pennsylvania Engin'g Corp. — Steel mills; oil refineries; chemical plants	11	†1.17	18½	6.3
Pennsylvania Gas Co. — Operating public utility in Pennsylvania and New York	79	1.20	22	5.5
Penobscot Chemical Fibre Co. Voting — Mfr. bleached soda and sulphite woodpulp	11	1.05	28¾	3.7
Peoples First National Bank & Trust Co. (Pittsburgh)	91	2.65	55¼	4.8
Peoples National Bank of Washington (Seattle)	30	1.50	65	2.3
Peoples Telephone Corp. — Telephone utilities	32	4.00	88	4.5
Pepsi-Cola General Bottlers, Inc. — Soft drinks	11	0.60	10⅝	5.6
Perkins Machine & Gear Co. — Precision gears	17	†1.00	11	9.1
Permanente Cement Co. — Cement and gypsum products manufacturer	12	0.54	18½	2.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Personal Industrial Bankers, Inc. — Small loans	18	0.12	2¼	5.3
Peter Paul Co. — Popular candies	36	2.50	41½	6.0
Petroleum Exploration — Producing crude petroleum and natural gas	40	3.25	58	5.6
Petrolite Corp. — Chemical compounds	27	2.75	88½	3.1
Pettibone Mulliken — Railroad track equipment, forging and machinery	16	1.00	24	4.2
Pfaudler-Permutit Co. — Water softeners and corrosion resistant equipment	a21	j1.40	28¼	5.0
Pheoll Manufacturing Co. — Manufacture metal fasteners	37	1.00	17	5.9
Philadelphia Bourse — Exhibition and office building	22	1.50	52	2.9
Philadelphia National Bank	115	1.90	38¼	5.0
Philadelphia Suburban Transportation Co. — Transportation of persons by street railway and motor bus	18	0.80	20¼	4.0
Philadelphia Suburban Water — Operating public utility	*19	†0.49	35⅜	1.4
Phoenix Insur. (Hartford) — Insurance carrier (except life)	85	3.00	65¾	4.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
j No stated rate. But $0.35 per quarter paid since merger.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Phoenix Silk Corp. — Textile fabrics	11	0.10	3¼	3.1
Pickering Lumber Corp. — California, Louisiana and Texas holdings	10	0.35	10½	3.3
Pictorial Paper Package Corp. — Paper boxes	22	0.60	10	6.0
Piedmont & Northern Ry. — Operates Diesel line in Carolinas	29	7.00	113	6.2
Pioneer Finance Co. — Financing company	20	0.325	8⅝	3.8
Pioneer Steamship Co. — Bulk cargoes—Great Lakes	28	2.50	32	7.8
Pioneer Trust & Savings Bank (Chicago)	34	8.00	310	2.6
Pittsburgh Fairfax Corp. — Owning and operating apartment building	16	2.00	51	3.9
Plainfield-Union Water Co. — Operating public utility	45	3.00	63½	4.7
Planters Nut & Chocolate — Peanut products	46	2.50	57¾	4.3
Plymouth Cordage Co. — Manufacture of rope, harvest twines, twisted paper products	100	3.00	47½	6.3
Pope & Talbot, Inc. — West Coast lumber mills	*10	1.00	23¼	4.3
Port Huron Sulphite & Paper — Lightweight papers	19	0.90	24¾	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 36

Construction Industry Prospects Analyzed

Contractors' spokesman reveals major role the industry is playing in helping to pull the nation up the road of economic recovery.

The dollar volume of construction work has continued to hold up this year, buttressing the economy, Fred W. Heldenfels, Jr., points out, and new record levels in construction activity and contract awards indicate continued general economic expansion.

The head of the highway contracting firm of Heldenfels Brothers, Corpus Christi, Texas, and president of The Associated General Contractors of America stated recently, at the mid-year meeting of the A. G. C. Governing and Advisory Boards held at Atlanta, Ga., that now we ought to see "how we are doing, both in the construction industry and in the nation's economy in general. As a matter of fact, only now are we able to tell with a reasonable degree of confidence how this year is likely to turn out economically on the whole.

"For more than half of 1958 it was very evident that business in general was in a slump. Then along in August, the economic indicators began pointing upward for the first time in about a year. Business confidence began to rise, and now it is generally felt that while it may take some time for the country to get back to the peak rates of economic activity prevailing up to about a year ago, things are definitely on the upgrade.

Construction Industry Holds Up

"In the construction industry, the story has not been quite the same as for business in general. The dollar volume of construction activity has continued to hold up this year, after reaching a record level in 1957. In doing so, construction activity has provided a strong bulwark to the rest of the nation's economy. While the recession was spreading, the strength of preplanned contract construction clearly helped to keep it from getting still worse. When the decline was checked, rising construction activity set the pace for the rest of the economy and did more than anything else to stimulate general recovery.

"Thus the construction industry has again fulfilled its historic role as a stabilizing force in our national economy, which brings into national focus our AGC slogan 'America Progresses through Construction.'

"The influence of our industry on the rest of the economy is very great because construction is the country's largest single production activity, accounting for more than one-seventh of the Gross National Product annually and a similar proportion of total employment, directly and indirectly. The vast scope of construction activity obviously is of great importance to producers of equipment, materials and supplies, to transportation, and to the purchasing power of the nation's labor force.

"The Department of Commerce and Labor have reported their estimates of new construction volume through the first eight months of 1958. In August, the last month reported, new construction activity reached the largest dollar volume ever recorded for any month, with a total of $4.8 billion. This brought the total for the first eight months to $31.5 billion, an all-time high for the period, about 1% above the previous record of $31.2 billion set in the same months of 1957.

Dollar Volume Reaches Record High

"Not only has construction activity soared to record heights; the dollar volume of contract awards has also climbed to all-time high marks in May, June and July, according to the F. W. Dodge Corporation. This should mean continued expansion and a record volume of construction activity in coming months.

"The figures on contract awards give strong support to the findings of a telegraphic survey conducted by The Associated General Contractors of America among its 125 chapters and branches throughout the country in June. The great preponderance of replies in the survey indicated that construction volume would rise during the second half of the year in most areas and remain at least normal in others.

"Other indications of a strong construction market for the rest of this year and into 1959 are the upturn in residential construction and the steadily rising volume of highway construction as the long-range highway program begins to hit full stride. According to a recent report by the Bureau of Public Roads, capital expenditures for highways by all units of government are expected to reach $6.2 billion in the calendar year 1958, $7.1 billion in 1959, $7.3 billion in 1960, $7.7 billion in 1961, and $8.1 billion in 1962."

K. V. Zwiener Named Boys Clubs Director

Kenneth V. Zwiener, President, Harris Trust and Savings Bank, Chicago, has been elected to the board of directors of the Chicago Boys Clubs.

Harold Strotz Joins Hemphill, Noyes & Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Cal.—Harold Strotz has become associated with Hemphill, Noyes & Co., 9478 Santa Monica Boulevard. Mr. Strotz was formerly a partner in Daniel Reeves & Co.

Kerbs, Haney Branch

NEWARK, N. J.—Kerbs, Haney & Co., members of the New York Stock Exchange and the American Stock Exchange, have opened a branch office at 1164 Raymond Boulevard. The new office will be under the management of George J. Haney, as resident partner.

The new office will provide complete investment services and have direct wires to New York.

With Smith, Barney & Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Peter B. Fritzsche has become associated with Smith, Barney & Co., Union Commerce Building.

E. M. Adams Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oreg.—Donald C. Ebbert is now affiliated with E. M. Adams & Co., American Bank Building.

Joins Jamieson

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—Harold V. Anderson has joined the staff of Jamieson & Company, First National Soo Line Building.

Continued from page 35

The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Porter (H. K.) Co. (Pa.) Manufactures electrical equipment, industrial rubber products, steel and tool steel, copper and alloy metals, refractories, saws and tools, fittings, wire rope and related products	14	2.00	39½	5.1
Porter (H. K.), Inc. (Mass.) Mechanics' hand tools, bolt cutters, body and fender repair tools & equipment and hydraulic power tools	*20	0.45	7¾	5.8
Portland Gas Light Co. Public utility (mfrs. gas)	15	0.50	10½	4.7
Portland General Electric Electric utility	12	1.20	25¼	4.8
Portsmouth Steel Corp. Owns substantial interests in Cleveland-Cliffs Iron Co., Detroit Steel Corp., and companies in related fields	11	1.00	13⅞	7.2
Potash Co. of America Mining and refining potassium	21	†1.79	35¾	5.0
Pratt, Read & Co. Piano and organ keys	13	1.20	16	7.5
Princeton Water Co. Operating public utility	50	4.00	80	5.0
Produce Terminal Cold Storage Co. Public cold storage warehouse	10	1.00	14⅛	7.1
Progress Laundry Co. Laundry and dry cleaning	23	1.60	18¾	8.5
Providence Washington Ins. Multiple line insurance	52	1.00	16⅝	6.0
Provident Savings Bank & Trust Co. (Cincinnati)	54	1.75	35¼	5.0
Provident Tradesmens Bank & Trust Co. (Phila.)	93	2.32	46¾	5.0
Public Service Co. of N. H. Electric public utility	21	1.00	18⅛	5.5
Public Service Co. (N. Mex.) Public utility	12	†0.76	21⅛	3.6
Publication Corp. vot. Owns rotogravure printing plants	22	3.00	38	7.9

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 41.

Punta Alegre Sugar Corp. Cuban holding company	13	3.00	18⅜	16.3
Purex Corp. Makes "Purex" and "Trend"	*16	†0.99	24½	4.0
Purity Stores, Ltd. California food chain	*10	0.30	14¼	2.1
Purolator Products Filters oil, gas and air	17	2.00	31	6.5
Quaker City Life Insurance Co. (Pa.) Life, accident & health	*12	†1.43	40⅜	3.5
Queen Anne Candy Co. Bar and bulk candy	10	0.10	3	3.3
Quincy Market Cold Storage Boston operation	16	†1.80	30	6.0
Ralston Purina Animal feeds, breakfast foods	24	0.95	31½	3.0
Real Estate Investment Trust of America Investment real estate	a72	0.90	13⅛	6.9
Red Owl Stores, Inc. Wholesale and retail food chain	26	1.40	40¼	3.5
Reece Corp. (Mass.) Makes button hole machines	76	1.10	18½	5.9
Reed (C. A.) Co., class B Crepe paper	12	1.50	25¼	5.9
Reinsurance Corp. of N. Y. Writes only reinsurance	21	0.50	14⅞	3.3
Reliance Varnish Co. Paints, varnishes and enamels	14	0.65	9	7.2
Republic Insurance (Dallas) Fire and casualty insurance	52	1.60	54	3.0
Republic National Bank of Dallas	38	†1.72	53	3.2
Republic National Life Insurance Co. (Dallas)	12	0.20	51	0.4
Republic Natural Gas Natural gas and oil producer	20	0.80	29½	2.7
Republic Supply Co. of California Suppliers and distributors of oil-well and industrial supplies	26	1.00	12¼	8.2
Revere Racing Assn. Dog racing, near Boston	16	0.60	7¼	8.3
Rhode Island Hospital Trust	89	4.00	94	4.3
Richardson Co. Manufacturers of rubber and plastic industrial products	26	0.75	11⅝	6.5
Rich's, Inc. Operates Atlanta department store	29	0.775	15⅝	5.0
Riegel Textile Corp. Wide line textile products	20	1.05	15	7.0
Rieke Metal Products Corp. Heavy metal stampings	21	1.25	16	7.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Rike-Kumler Co. — Dayton department store	45	1.50	37	4.1
Riley Stoker Corp. — Power steam generators	19	1.20	33⅞	3.5
Risdon Manufacturing Co. — Small metal stampings	41	4.00	82	4.9
River Brand Rice Mills — Leading rice miller and packager	a25	1.20	17½	6.9
Roanoke Gas Co. — Public utility. Distributes natural gas	14	0.80	16	5.0
Robertson (H. H.) Co. — Manufacturers of construction materials	22	†3.20	63	5.1
Rochester American Insurance Co. — Diversified insurance	29	1.60	32	5.0
Rochester Button Co. — Buttons	21	1.00	12½	8.0
Rochester Telephone Corp. — Operating public utility	15	1.00	21⅛	4.7
Rock of Ages Corp. — Granite quarrying and mfg. of granite cemetary monuments, markers, etc.	18	1.00	15¾	6.3
Rockland-Atlas Natl. Bank of Boston	94	1.80	39	4.6
Rockland Light & Power Co. — Merged in February 1958 with Orange & Rockland Electric Co. to form Orange & Rockland Utilities. Stock exchanged share for share.				
Rockwell Mfg. Co. — Meters, valves, power tools and parking meters	19	†2.16	37½	5.8
Roddis Plywood Corp. — Manufacture and distribution of plywood doors and lumber	14	0.15	10¼	1.5
Rose's 5, 10 & 25c Stores. Inc. — Operates 145 stores in the South	31	1.15	21	5.5
Ross Gear & Tool Co. Inc. — Manufacturers of steering gears	30	1.70	27¼	6.2
Rothmoor Corp. — Women's coats and suits	10	0.40	4	10.0
Royal Dutch Petroleum (NY) — Affiliated with producers of many nations	11	2.17	74	2.9
Royalties Management Corp. — Oil and gas royalty interests	15	0.25	3⅝	6.9
Sabine Royalty Corp. — Oil & gas royalties	13	2.00	35	5.7
Saco-Lowell Shops — Manufactures textile machinery and other metal products.	20	0.30	11⅞	2.5
Safety Industries, Inc. — Supplies the following markets: general industrial, food, chemical and railroad	27	k0.75	15½	4.8
Safway Steel Products, Inc. — Manufactures steel scaffolding, grand stands and bleachers	21	1.00	15¼	6.6
Sagamore Mfg. Co. — Sateens, broadcloths, twills	22	5.00	53	9.4
St. Croix Paper Co. — Maine producers	38	1.25	22⅞	5.5
St. Joseph Stock Yards Co. — Livestock	59	7.00	50	14.0
St. Paul Fire & Marine Insur. — Fire and casualty insurance	86	†1.16	48¼	2.4
St. Paul Union Stockyards — Minnesota operator	42	1.55	18¾	8.3
San Antonio Transit Co. — Intra-city busses	14	0.60	11⅜	5.3
San Jose Water Works — Public utility (water company)	28	2.40	49⅝	4.8
San Miguel Brewery, Inc. (Philippines) — Beer and dairy products	*10	1.20	12¾	9.4
Sanborn Map Co. — Fire insurance & real estate maps	81	3.25	53	6.1
Sargent & Co. — Hardware, locks and tools.	15	1.00	16½	6.1
Savannah Sugar Refining — Georgia operator	34	5.00	90	5.6
Schenectady Trust Co. (N.Y.)	54	†1.80	62	2.9
Schlage Lock Co. — Locks and builders' hardware	18	†0.99	33	3.0
Schuster (Ed.) & Co. — Three Milwaukee dept. stores	*16	1.00	16¼	6.2
Scott & Fetzer Co. — Vacuum cleaner manufacturer	11	2.20	27	8.1
Scott & Williams, Inc. — Builds knitting machinery	42	†2.53	28¼	9.0
Scruggs-Vandervoort-Barney — Department stores; St. Louis, Kansas City, Denver	18	0.60	10¾	5.6
Seaboard Surety Co. — Diversified insurance	23	2.50	70	3.6
Searle (G. D.) & Co. — Pharmaceuticals	23	1.15	45	2.6
Sears Bank & Trust Co. (Chicago)	19	†2.05	63½	3.2
Seatrain Lines — Transports freight cars by ships	*17	0.50	8¼	6.1
Second Bank-State St. Tr. Co.	39	3.20	75½	4.2
Second National Bank of Saginaw	80	2.50	73	3.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessor.
k Plus two shares Vapor Heating Corp., common, for each 100 shares held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Securities Acceptance Corp. — Instalment financing and personal loans	25	0.40	11⅜	3.5
Security-First National Bank (Los Angeles)	77	1.60	47¾	3.4
Security Insurance Co. of New Haven	64	†0.59	23⅛	2.6
Security National Bank of Greensboro (N. C.)	22	1.00	23¾	4.2
Security Title Insurance Co. — Title insurance	11	1.10	43	2.6
Security Trust Co. of Rochester	65	2.00	46	4.3
Seismograph Service Corp. — Surveys for oil and gas industries	22	†0.58	11⅞	4.9
Selected Risks Insurance Co. — Diversified insurance. Formerly Selected Risks Indemnity Co. to Dec. 1957.	*25	1.20	34	3.5
Seven-Up Bottling Co. (St. Louis) — Bottler of carbonated beverages	30	0.60	9¼	6.5
Shakespeare Co. — Fishing reels, rods and lines	20	1.50	25½	5.9
Shaler Co. — Vulcanizers	22	1.15	12	9.6
Shepard Niles Crane & Hoist — Electric cranes and hoists	23	2.00	22¾	8.8
Sherer-Gillett Co. — Manufacturer commercial refrigeration	13	†0.09	2¾	3.3
Shuron Optical Co. — Name changed in March 1958 to First Geneva Corp.				
Sick's Ranier Brewing Co. — Formerly Sick's Seattle Brewing & Malting Co. Name changed April 1957. "Ranier" and "Brew 66" beer	21	0.20	3	6.7
Sierra Pacific Power — Operating public utility	32	1.30	28⅝	4.5
Sioux City Stock Yards — Iowa livestock market	54	2.00	31¼	6.4
Sivyer Steel Casting Co. — Castings	22	†1.46	26	5.6
Skil Corp. — Portable tools	21	1.55	22	7.0
Smith-Alsop Paint & Varnish Co. — Paints and varnishes	10	1.55	21	7.4
Smith Engineering Works — Mining machinery	11	2.50	62	4.0
Smith (J. Hungerford) Co. — Manufacturer of soda fountain & ice cream fruits and flavors	35	2.65	40	6.6
Smith (S. Morgan) Co. — Heavy manufacturing, hydraulic turbines and valves	61	1.20	29¼	4.1
Snap-On Tools Corp. — Manufacture and distribution of mechanics' hand service tools and related items	19	1.50	30¼	5.0
Sonoco Products Co. — Paper and paper products	33	1.00	25½	3.9
South Atlantic Gas Co. — Operating public utility	13	0.80	14⅜	5.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
South Carolina National Bk. (Charleston)	22	2.50	57	4.4
South Texas Development Co. Class B — Oil royalties	26	4.00	74	5.4
Southdown Sugars, Inc. — Operates Louisiana sugar plantation	10	0.70	33½	2.1
Southeastern Public Service — Natural gas supplier	10	0.80	12¼	6.5
Southeastern Telephone Co. — Operating public utility	18	†0.88	20¼	4.3
Southern Bakeries Co. — Southeastern baker	22	†0.44	18	2.4
So. California Water Co. — Water, electric and ice interests. Operating public utility	30	0.90	17½	5.1
Southern Colorado Power — Electricity supplier	14	0.775	16⅛	4.8
Southern Fire & Casualty Co. — Diversified insurance	19	†0.07	5¼	1.3
So. New England Tel. Co. — Communications services	67	2.00	38⅝	5.2
Southern Oxygen Co. — Compressed gases	21	†0.575	12	4.8
Southern Union Gas Co. — Natural gas production and distribution	15	1.12	27¼	4.1
Southern Weaving Co. — Narrow fabrics, tapes and webbings	31	†r0.40⅛	9	4.4
Southland Life Insurance Co. — Life, health and accident insurance	23	1.75	90	1.9
Southwest Natural Gas Co. — Southern natural gas supplier	11	0.20	5⅛	3.9
Southwestern Drug Corp. — Wholesale drugs	16	†2.23	40	5.6
Southwestern Elec. Service — Electricity supplier	13	1.22	25	4.9
Southwestern Investment Co. — Sales, financing and personal loans	23	†0.545	15¼	3.6
Southwestern Life Insur. Co. — Non-participating life	49	1.90	103¼	1.8
Southwestern States Tel. Co. — Operating public utility	12	1.20	23⅜	5.1
Speer Carbon Co. — Carbon, graphite and electronic products	25	1.50	23	6.5
Spindale Mills, Inc. — Yarn shirtings and dress goods	13	1.00	13	7.7
Spokane International Railroad Co. — Northwestern carrier	16	1.50	29	5.2
Sprague Electric Co. — Electronic components	19	l 1.20	34	3.5
Springfield F. & M. Ins. Co. — Multiple line insurance	91	‡1.00	29⅛	3.4
Springfield Gas Light Co. — Massachusetts operating utility	105	2.60	49	5.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
‡ Current rate is $1.00.
r Shares split five-for-one in May, 1958. Yield based on possible 10c quarterly payments.
l Plus 1/10 of a share of $6.50 pfd. for each share of common held.

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Dean Collins and Dr. Nadler Offer Solution To Federal Debt Management Problem

The way out of the present dilemmatical Treasury debt-management problems, economists Collins and Nadler recommend, is to compel institutional investors to carry certain medium and long-term governments, broaden Fed's selective credit powers, and explore large scale refunding into long-terms. The economist believes it unrealistic to expect the best solution could be achieved in the near future—*i. e.*, marked public debt reduction, and sound fiscal policies coordinated with Fed's credit responsibilities. Reference is also made to Fed's policy favoring Treasury bills in open market operations.

Congress should consider the enactment of legislation that would make debt management effective without handicapping the

G. Rowland Collins   Marcus Nadler

Federal Reserve authorities in their efforts to maintain the purchasing power of the dollar, according to a bulletin entitled "Recent Changes in the Money Market," just issued by Dean G. Rowland Collins, Director, and Dr. Marcus Nadler, Research Director, of the Institute of International Finance of New York University.

The current policies of the Federal Reserve, the bulletin points out, are influenced primarily by the fear of inflation. But the principal source of inflation today is the large deficit of the Federal Government. If, as a result of the increased money supply caused by financing the deficit through the banks, the inflationary forces should reassert themselves, the Federal Reserve would feel impelled to adopt a policy of credit restraint. At the same time, however, it has to stand ready to support the Treasury in its refunding operations and in its new borrowings in the open market. Therefore, if the Treasury should offer short-term obligations suitable for bank investment, the Reserve authorities would have to furnish the banks the necessary reserves, either through open-market purchases or through lowering reserve requirements. The resulting increase in the money supply would feed the forces of inflation.

Dilemma's Other Half

If, on the other hand, the Treasury should endeavor to finance its cash requirements in an anti-inflationary way, namely, through the sale of long-term obligations to non-bank investors, this could lead to a further decline in government bond prices and a substantial rise in long-term rates of interest in general. Such a development could have an adverse effect on home construction, public works, and business activity as a whole, particularly if the Reserve authorities at the same time were employing a policy of even moderate credit restraint. The reversal in the trend of business and the increase in unemployment would probably subject the Federal Reserve Board to severe Congressional and public criticism and force a return to a policy of active credit ease. The problems confronting the Federal Reserve will be even greater if a strong demand for credit from the private sector of the economy should develop in the period ahead.

The public debt of the United States, the New York University bulletin states, while not unduly large in relation to the Gross National Product and disposable personal income, has become difficult to manage in view of the fact that a large part of the debt is of short maturity and a considerable portion is in the form of demand obligations. Despite the magnitude of the public debt and the rating of government securities as the highest quality investment of the nation, the market for medium- and long-term government obligations is rather limited. Consequently, at times the fluctuation in prices is such as to render them a risky investment for those who may have to sell before maturity. After the war it was hoped that the public debt would decrease, as was the case after previous major conflicts. For well-known reasons, this did not materialize. On the contrary, the debt is still rising and the constant refunding operations continue to complicate the credit control policies of the Federal Reserve authorities.

Federal Reserve versus Treasury

At the same time the position of the government bond market is weakened by the policy of the Reserve authorities of using only Treasury bills in their open-market operations, except when it is considered imperative to support the Treasury financing activities. They have adhered to this policy even at times when the government bond market was disorganized and the offering of even a relatively small amount of bonds led to a substantial decline in prices. Bonds that can decline within a short time by nearly 13% are obviously too risky for investors looking for a highly liquid and safe investment. The recent drastic decline in prices of intermediate- and long-term government securities has undoubtedly reduced their attractiveness to many investors, and it will take some time to overcome this attitude.

While the Federal Reserve Board is an independent government agency, it is clear that it has an implied obligation to assist the Treasury in its refunding and borrowing operations. At times, however, this obligation runs counter to the Federal Reserve's credit policies. The best solution, of course, would be for the government to adopt sound fiscal policies and to coordinate them with the Federal Reserve's credit policies. With a marked reduction in the public debt, the problem of debt management would in time solve itself. In view of past experience, it would, however, be unrealistic to expect such a development in the near future.

Suggests Alternative Plan

The problem of coping with the Treasury's large floating debt could be approached in a number of ways, according to the Institute's study. One would be to broaden the powers of the Federal Reserve Board to enable it to direct or retard the flow of credit into certain segments of the economy irrespective of general money market conditions, the over-all availability of credit, and the level of interest rates. The powers of the Board could be increased by giving it authority to control real estate and consumer credit, to regulate medium-term commercial bank loans to business, and to require banks to hold a minimum amount of secondary reserves in the form of Treasury obligations with a maturity of three to five years.

Secondly, it may be desirable to enact legislation requiring certain institutional investors, particularly the life insurance companies and mutual savings banks, to maintain a variable percentage of their assets in medium- and long-term government securities. This would assure a steady demand for such obligations since the assets of these institutions are bound to grow considerably in the future. Thirdly, the possibility should be explored of carrying out large-scale refunding operations, such as were undertaken recently in Canada, to reduce drastically the short-term debt.

These proposals would raise many additional problems. Nevertheless, they are worthy of serious consideration and the exhaustive studies that would have to be made before they could provide the basis for legislative action.

With Leward M. Lister

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—James B. Cooper is now associated with Leward M. Lister & Co., 80 Federal Street.

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(Special to THE FINANCIAL CHRONICLE)

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Staley (A. E.) Mfg. Co. — Processes corn and soy beans	24	1.35	29¾	4.5
Stamford Water Co. — Operating public utility	62	1.80	32½	5.5
Standard Accident Insurance Co. (Detroit) — Casualty, bonding and fire and marine insurance	19	2.00	44¼	4.5
Standard-Coosa Thatcher Co. — Cotton spinning, dyeing and bleaching	37	0.90	9	10.0
Standard Fire Insurance Co. of New Jersey — Diversified insurance	89	2.50	57	4.4
Standard Screw Co. — Screws and screw machine products	53	3.60	48	7.5
Stange (Wm. J.) Co. — Food colorings and seasonings	12	0.70	11½	6.1
Stanley Home Products, Inc. (Voting) — Manufactures and sells brushes, waxes, polishers, and personal toiletries	15	2.25	35½	6.3
Stanley Works — Hardware for building trades, etc.	82	2.50	33¾	7.4
State Bank of Albany	155	1.70	42¼	4.0
State Loan & Finance Corp. — Loans and finance business, Southern states	28	1.00	19⅝	5.1
State Natl. Bank of El Paso	77	6.00	280	2.1
State Planters Bank of Commerce & Trs. (Richmond, Va.)	*36	2.40	60	4.0
Stearns Manufacturing Co. — Manufactures concrete block making equipt. and associated items	22	0.10	2⅞	3.5
Stecher-Traung Lithograph Corp. — Labels, packets and boxes	19	1.85	22	8.4
Stern & Stern Textiles, Inc. — Silk, rayon and nylon fabrics	12	0.70	9	7.8
Stonecutter Mills Corp., Cl. B — Dies and fabrics	16	0.20	5	4.0
Stonega Coke & Coal Co. — Coal and lumber	18	1.40	19	7.4
Stouffer Corp. — Restaurant chain	22	†0.39	15¾	2.5
Strathmore Paper Co. — Manufactures fine printing papers, artists' papers and technical papers	16	1.25	30	4.2
Stratton & Terstegge Co. — Wholesale hardware	18	1.20	22	5.5
Strawbridge & Clothier — Large Philadelphia department store	11	1.00	18¾	5.3
Struthers Wells Corp. — Fabricated metal products; chemical and refinery equipment	14	1.60	21	7.6
Stuart Co. — Pharmaceutical manufacturer and distributor	10	0.64	26½	2.4
Stuyvesant Insurance Co. — Auto and marine insurance	10	m0.50	25½	2.0
Suburban Propane Gas Corp. — Propane gas distributor	12	1.05	16⅞	6.2
Sun Life Assurance — Life. Also large annuity business	21	5.10	339	1.5
Super Valu Stores, Inc. — Wholesale food distributor	22	1.50	39½	3.8
Swan Rubber Co. — Manufactures hose (rubber and plastic) small tires	23	0.825	13½	6.1
Syracuse Transit Corp. — Local bus operator	16	2.00	18¼	11.0
Tampax, Inc. — Miscellaneous cotton products	15	2.00	51½	3.9
Tappan (The) Co. — Gas ranges	*23	2.00	28½	7.0
Taylor-Colquitt Co. — Railroad ties and poles	31	1.75	28	6.3
Taylor & Fenn Co. — Grey iron alloy castings	52	0.80	11	7.3
Taylor Instrument Cos. — Mfr. of scientific instruments	57	†1.52	28¼	5.4
Tecumseh Products Co. — Refrigeration compressors, small engines, etc.	19	2.25	51	4.4
Telephone Service Co. of Ohio, Class B — Holding co.	16	†1.33	144	0.9
Television-Electronics Fund, Inc. — Open-end mutual investment co.	10	z0.91	11	8.3
Tenn., Ala. & Georgia Ry. Co. — Railroad common carrier	20	0.50	16	3.1
Terre Haute Malleable & Manufacturing Corp. — Iron castings	22	0.75	9½	7.9
Terry Steam Turbine Co. — Turbines and reduction gears	*50	11.00	160	6.9
Texas Natl. Bank (Houston)	*34	2.50	61	4.1
Textiles, Inc. — Makes cotton yarn	17	0.80	10	8.0

* Details not complete as to possible longer record.

† Adjusted for stock dividends, splits, etc.

m Plus 3/80ths of a share of Stuyvesant Life Insurance Co., for each share held.

z Total includes 36 cents from investment income and 55 cents in capital gains. The quotation is the offering or selling price and the yield is based on that figure.

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The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Thalhimer Brothers, Inc. Richmond department store	*12	†0.57	9¾	5.8
Third Natl. Bank in Nashville	29	10.00	400	2.5
Third National Bank & Trust Co. (Dayton, Ohio)	96	1.25	36	3.5
Third National Bank & Trust Co. of Springfield (Mass.)	93	†2.12	39½	5.4
Thomaston Mills Wide range of cotton products	*17	1.25	19⅜	6.5
Thompson (H. I.) Fiber Glass Fiber glass, fabricators Hi Temp insulation, fiberglass reinforced plastic parts	11	†0.69	26	2.7
Thomson Electric Welder Co. Electric welding machines	12	1.75	20	8.8
300 Adams Building, Inc. Chicago office building	23	3.00	45	6.7
Thrifty Drug Stores California drug store chain	21	0.95	24¾	3.8
Time Finance Co. (Ky.) Consumer finance—personal loans	24	0.40	20	2.0
Time, Inc. Publishers of "Life," "Time," "Fortune" & "Sports Illustrated"	29	3.75	61¼	6.1
Timely Clothes, Inc. Men's suits, coats, etc.	17	1.00	13	7.7
Tinnerman Products, Inc. "Speed Nuts"	*12	2.35	27	8.7
Titan Metal Mfg. Co. Brass and bronze rods	15	0.20	21½	0.9
Title Insurance Co. of Minnesota Title insurance	a50	2.15	45	4.8
Title Insurance & Trust Co. (Los Angeles) Insuring title to real estate	64	1.50	30⅛	5.0
Tobin Packing Co. Meat packer	16	0.90	16⅞	5.3
Tokheim Corp. Gasoline pumps	26	1.40	26	5.4
Toledo Trust Co.	24	†2.86	101	2.8
Toro Manufacturing Corp. Power lawn mowers and stationary power tools	12	1.15	17¼	6.7
Torrington Mfg. Co. Manufactures machinery, blower wheels and fan blades	23	1.00	14¾	6.8
Towle Mfg. Co. Sterling silver tableware	41	2.00	29	6.9
Towmotor Corp. Fork-lift truck	13	1.40	20¼	6.9
Townsend Co. Wire products	52	0.70	17½	4.0
Travelers Ins. Co. (Hartford) Life, accident health	92	1.10	76⅜	1.4
Trenton Banking Co.	*34	1.20	28	4.3
Trico Products Corp. Manufacturers of automotive equipment	30	3.00	50¾	5.9
Trinity Universal Insurance Company Diversified insurance	21	†1.00	26½	3.8
Troxel Manufacturing Co. Bicycle saddles	15	0.75	7¼	10.3
Trust Co. of Georgia	28	22.00	670	3.3
Tucson Gas Elec. Lt. & Pwr. Electric and gas utility	40	1.40	40	3.5
Twin City Fire Insurance Co. Diversified insurance	32	0.60	19	3.2
Twin Disc Clutch Co. Clutches and gears	24	4.00	80	5.0
220 Bagley Corp. Theatre and office building	11	1.00	38	2.6
Tyer Rubber Co. Manufacturers of rubber goods	21	0.70	11½	6.1
Tyler Refrigeration Corp. Commercial refrigerators	21	0.70	11¼	6.2
U-Tote-M, Inc. Drive-in grocery, retail mdse.	13	0.30	6¾	4.4
Uarco, Inc. Business stationery	26	2.60	52	5.0
Union Bank (Los Angeles) Formerly Union Bank & Trust Co. Name changed Jan. 1958.	41	aa1.60	48¼	3.3
Union Commerce Bank (Cleveland)	15	2.00	43	4.7
Union Gas System, Inc. Natural gas utility	11	1.36	28½	4.8
Union Lumber Co. California redwood	10	1.25	40½	3.1
Union Manufacturing Co. Chucks, hoists, and castings	18	0.80	14½	5.5
Union Metal Manufacturing Co. Power distribution poles	20	†2.90	56	5.2
Union Natl. Bank in Pittsburgh	*33	1.40	38	3.7
Union Natl. Bank of Youngstown, Ohio	21	2.70	76	3.6
Union Oil and Gas Corp. of Louisiana, class A Crude oil and natural gas production	53	0.80	61¼	1.3
Union Planters National Bank of Memphis	28	1.70	42¼	4.0
Union Trust Co. of Maryland	20	2.00	45	4.4
Union Wire Rope Corp. Manufactures wire, wire rope and slings.	31	0.70	20¼	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
aa Annual rate.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
United Illuminating Co. Connecticut operating utility	58	1.35	26⅝	5.1
United Insurance Co. of America Life, accident & health	18	0.70	29½	2.4
United Life & Accident Insurance Co. Life, accident & health	21	4.00	230	1.7
United Printers & Publ., Inc. Greeting cards	19	0.55	12⅞	4.3
United States Cold Storage Corp. Car-icing, ice, etc.	16	2.30	25	9.2
U. S. Envelope Co. Manufacturer of envelopes, paper cups and other paper products	19	1.20	21⅞	5.5
U. S. Fidelity & Guaranty Co. Diversified insurance	19	2.00	62½	3.2
U. S. Fire Insurance Co. Diversified insurance	*48	1.00	26⅝	3.8
United States Loan Society Pawnbroking	51	0.90	17	5.3
U. S. Lumber Co. Holding company, land and mineral interests	*50	0.35	3⅞	9.0
United States National Bank of Denver	49	2.375	53½	4.4
U. S. Natl. Bank (Portland)	59	2.60	65½	4.0
U. S. Radium Corp. Phosphors, industrial radiation sources, dials, panels and nameplates	14	0.45	15	3.0
U. S. Realty & Investment Co. Real estate	17	1.25	25	5.0
United States Testing Co. Testing, research, inspection and engineering	23	0.20	7	2.9
U. S. Truck Lines (Del.) Inter-city motor carrier	26	1.45	17	8.5
U. S. Trust Co. (N. Y.)	104	3.20	70⅞	4.5
United Steel & Wire Co. Wire and metal specialties	21	0.25	3¼	7.7
United Utilities, Inc. Holding company	19	1.25	24	5.2
Universal Match Co. Matches and candy	20	†1.46	30½	4.8
Univis Lens Co. Manufacturer and distributor of multifocal opthalmic lens blanks and eye glass frames	30	0.15	5	3.0
Upper Peninsula Power Electric public utility	10	1.60	29¼	5.5
Upson (The) Co. Exterior and interior fibre wallboard	17	1.20	14¾	8.1
Upson-Walton (The) Co. Manufactures wire rope, tackle blocks and rope fittings	24	0.60	6	10.0
Utah Home Fire Insurance Company Fire and casualty insurance	25	1.00	24	4.2
Utah Southern Oil Co. Oil and gas producer	10	0.70	15	4.7
Valley Mould & Iron Corp. Ingot moulds and stools	22	3.00	39¼	7.6
Valley National Bank of Phoenix	25	†0.95	35¾	2.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Van Camp Sea Food Co., Inc. Cans sea food	10	0.80	11	7.3
Van Waters & Rogers, Inc. Wholesalers, industrial chemicals and scientific apparatus	19	†0.78	23	3.4
Vanity Fair Mills Lingerie	*10	1.15	17	6.8
Vapor Heating Corp. Car heating systems	24	3.00	38	7.9
Veedor-Root, Inc. Makes counting devices	24	2.50	45⅞	5.4
Velvet Freeze, Inc. Ice cream	11	0.10	3	3.3
Victoria Bondholders Corp. New York City real estate	22	5.00	645	0.8
Viking Pump Co. Rotary pumps	24	1.40	25	5.6
Virginia Coal & Iron Co. Owns soft coal land in Virginia and Kentucky	*42	6.00	92	6.5
Volunteer State Life Insurance Co. Non-participating only	15	0.60	41	1.5
Vulcan Mold & Iron Co. Cast iron ingot molds and accessories	24	†0.49	9¼	5.3
Wachovia Bank & Trust (Winston-Salem)	22	†0.47	16¼	2.9
Walker Manufacturing Co. of Wisconsin Auto parts	12	†1.25	37	3.8
Walnut Apartments Corp. Owning and operating apartment house in Philadelphia	11	2.00	44	4.5
Warehouse & Terminals Corp. Warehouses and outdoor storage	12	0.10	1⅞	5.3
Warner Co. Sand, gravel, lime and concrete	12	†1.98	39¼	5.0
Warren Bros. Co. Paving contractors	15	2.00	42⅝	4.7
Warren (S. D.) Co. Printing papers & allied products	22	1.40	34½	4.1
Washburn Wire Co. Wire and springs	19	2.00	23½	8.5
Washington National Insurance Co. (Evanston, Ill.) Life, accident and health	35	0.80	63	1.3
Washington Oil Co. Crude oil and gas producer	33	2.25	27	8.3
Washington Steel Corp. Producer of Micro Rold stainless steel and strip	10	1.10	20¼	5.4
Waterbury-Farrel Foundry Makes metal working machinery	78	2.00	49	4.1
Watson-Standard Co. Manufacturer of paints, varnishes, industrial coatings, chemical compounds, and distributor of flat glass	23	0.70	14	5.0
Weingarten (J.), Inc. Supermarket chain	31	0.675	22	3.1
Welsbach Corp., class B Maintenance and installation of street lighting systems	11	†0.625	14	4.5
We[illegible] Chemical Products Sanitation products	18	0.80	13¾	5.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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U. S. Housing Market—and Our Position in a Troubled World

assumes some of the risks in mortgages which would otherwise be completely unacceptable to private capital.

The most active of all Federal assistance programs are the FHA insurance and VA loan guaranty programs with which you all are familiar.

The mutual savings banks participate fully in these programs because they offer a safe investment with a reasonable return. On a national scale, mutual savings banks hold $12.7 billion of FHA and VA government-assisted mortgages, representing about two-thirds of their residential mortgage investments.

Congressional Housing Action

Practically all of the Federal programs on housing were involved in the legislation considered by the Congress in 1958. Two bills were passed and most of the other programs were covered by an omnibus housing bill which failed of passage in the House.

The first housing bill to pass was the Emergency Housing Bill enacted into law on April 1, 1958. It has been a very successful law and the proof of its success is the effect it has had, not only on new housing construction, but also on the entire economy.

A prediction was made during debate on this bill that its effects should increase new starts by 200,000 units this year, and I believe it is going to do better than that.

According to the Bureau of Labor Statistics, nonfarm housing starts for August were at an annual rate of 1,170,000 units, which is more than 200,000 over the 913,000 annual rate for starts in March, when the bill was passed in the Congress.

Failure to enact general housing legislation was a deep disappointment to me and to many others who worked so hard to put through an omnibus housing bill. I am particularly disheartened when I think of the programs that will suffer for lack of continued Federal support and of those individuals and families who were depending on this legislation to improve their housing conditions.

I will not take the time to discuss the adverse effects on the individual programs that failed of passage. The Administration announced as a reason for opposing the bill that it was "inflationary." This was the very same argument used against housing last year.

The proponents of this inflationary scare, claim that as more credit is extended, the demand for new housing increases to the extent that a shortage is created for labor and materials, thus causing a price increase. But remember that last year we had a surplus of labor and material for construction—the only shortage was in credit. The material suppliers, the builders, and the representatives of construction labor were demanding action to put their resources back to work.

The August 1958 unemployment total of 4.7 million is still a serious matter.

The number is down from the June high of 5.4 million, but this gives little consolation because the difference represents the dropping out of the labor force of a number of students looking for summer work in June and July.

The August unemployment rate of 7.6% is the highest since World War II, except for one month in 1949. Until we can work out of this unemployment difficulty, I cannot agree with any policy which holds down employment in construction or any other segment of our economy for fear of inflation.

In the next decade, with housing production rapidly expanding to meet the needs of a rising standard of living and a growing population, I believe the biggest challenge will be to bankers to find the new sources of credit needed to finance this expansion. To do so is a complex problem which can be made much simpler by the cooperative effort of all interested parties, private and public.

In this respect, the State of New York has many advantages over other states. It has a long record of active participation in the housing problems of its citizens. Some of the first housing code enforcement legislation and the first state-assisted financing arrangements to aid deserving housing developments were started in that state.

At the present time, the Commissioner of the New York State Division of Housing is a man whom I am pleased to call my friend. Commissioner Joseph McMurray was Staff Director of the Senate Banking and Currency Committee for many years, and worked very closely with me and other Committee members on many important pieces of housing legislation, including the Housing Act of 1949 about which I have already spoken.

Joe McMurray for many years has been interested in new sources of credit for mortgage financing and I am sure would be most willing to join with state bankers in a study of this important matter.

While speaking of a former employee of Congress, I want to mention that in my opinion the national mutual savings bank association chose wisely in employing others who formerly worked on the Washington scene. I refer to Grover Ensley, Bill McKenna, and Sam Justice.

They are all able men and their Washington experience should prove valuable to the Association.

At the Federal level, we intend to encourage the study of mortgage financing. We stand ready at any time to work with lenders in improving mortgage facilities throughout the Nation.

Turns to World Situation

Now let me turn from the particular issues I have been discussing to the very broadest possible frame of reference — the global situation. This is not so abrupt or peculiar a shift as one might imagine. Bankers especially will appreciate the nature of global interrelationships which are pressing in upon us to a unique degree in world history. Fluctuations in trade in the Far East can have a strong impact upon business conditions here at home; an armed attack on a collection of mud huts in the Middle East can threaten the security of our own dwellings. We no longer have any choice but to be internationally-minded.

In any case, it is right and proper for a member of the Senate Foreign Relations Committee to unburden himself concerning our position in the world today. For my part, I would feel I was shirking my duty if I did not with them. Nothing could be do so.

Frankly, I can only underscore what the headlines have been telling us for some months—that the news is largely bad, particularly in relation to our strength, prestige and influence around the world. Perhaps this is a discouraging note upon which to start. But self-deception is a disease which can only lead to worse setbacks to our country's position. The healthiest activity we can undertake is to get at the facts, improve our understanding of them and move in accordance with them. Nothing could be more futile and ridiculous than to act like a public speaker who, after being hit with a barrage of rotten tomatoes, tries to persuade himself and his audience of the insignificant size, ripeness and meaning of the weapons. By the way, I beg you not to test this proposition.

Even the scantiest acquaintance with the realities of world events will confront the American citizen with evidence of serious failings in the formulation and administration of our foreign policies. Twice during the summer months the Administration has confessed to foreign policy failures by resorting to the use or threatened use of armed forces; we are all aware that this step traditionally implies a sterile policy and the breakdown of diplomacy. Many will say that we had no alternative in view of the positions we were in. Many would join me in saying that only ineptitude and an erroneous concept of our vital interests could have placed us in such blind alleys. Less important, but no less indicative of our reduced standing in the world has been the rash of anti-American riots and demonstrations in widely scattered portions of the globe during the past several months: in Lebanon, in

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
West Coast Telephone Co. — Operating public utility	19	1.06	20½	5.2
West Mich. Steel Foundry — Steel and alloy castings	22	1.30	16¼	8.0
West Ohio Gas Co. — Natural gas distributor	18	1.00	19½	5.1
West Penn Power Co. — Both operating utility and holding company	*35	2.60	51¼	5.1
West Point Mfg. Co. — Textile manufacturing	71	1.00	13	7.7
West Virginia Water Service — Wholesale gas; retails water and ice	13	†0.66	21½	3.1
Westchester Fire Ins. (N. Y.) — Diversified insurance	87	1.20	29¾	4.0
Western Assurance Co. (Toronto) — Fire, marine, aviation, auto and casualty	24	2.80	73	3.8
Western Casualty & Surety Company — Multiple line, fire & casualty and fidelity and surety bonds	20	1.20	35½	3.4
Western Electric Co. — Makes equipment for A. T. & T.	22	3.50	118	3.0
Western Light & Telephone — Supplies electric, gas, water and telephone service	19	2.00	37¼	5.4
Western Massachusetts Cos. — Electric utility holding company	32	2.20	43⅞	5.0
Weyerhaeuser Timber Co. — Manufacture, conversion and sale of forest products	25	1.00	37¾	2.6
Whitaker Cable Corp. — Manufacturer of automotive cable products	23	0.80	10½	2.9
Whitaker Paper Co. — Paper products and cordage	24	2.40	51	4.7
Whitehall Cement Manufacturing Co. — Manufacturer of portland cement	12	†1.56	42½	3.7
Whitin Machine Works — Textile machinery	71	1.00	16¼	6.2
Whiting Corp. — Cranes, Trambean, chemical, foundry and railway equipment	21	†0.99	14¼	6.9
Whitney Blake Co. — Insulated wires and cables	16	†0.39	9¼	4.2
Whitney Natl. Bk. (New Or.)	73	4.00	328	1.2
Wiggin Terminals, Inc., v.t.c. — Boston harbor	10	0.375	19	2.0
Will & Baumer Candle Co. — Candles and beeswax	62	1.00	17¼	5.8
Willett (Consider H.), Inc. — Maple and cherry furniture	*18	0.55	7½	7.3
Williams & Co., Inc. — Distributor of metals	25	1.70	27	6.3
Wilmington (Del.) Trust Co.	50	9.00	187	4.8
Winters Natl. Bank & Trust (Dayton, Ohio)	*33	1.00	25	4.0
Wisconsin National Life Insurance Co. — Life, accident, sickness and hospitalization insurance	39	1.00	65½	1.5
Wisconsin Power & Light — Electricity supplier	12	1.36	28⅛	4.8
Wisconsin Southern Gas Company, Inc. — Operating natural gas public utility	12	†0.99	18¾	5.3
Wiser Oil Company — Crude oil and natural gas producer	42	3.00	40	7.5
WJR The Goodwill Station (Detroit, Mich.) — Detroit broadcaster	30	†0.49	14¼	3.4
Wolf & Dessauer Co. — Fort Wayne department store	10	0.675	8⅝	7.8
Wolverine Insurance Co., Class A — Diversified insurance	11	1.00	44	2.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Wood Conversion Co. — Manufacturer of wallboard, insulating, cushioning materials, etc.	21	0.40	13½	3.0
Woodward Governor Co. — Speed controls for engines and propellers	19	2.375	36	6.6
Worcester County Trust Co. (Mass.)	16	3.00	64	4.7
Wyatt Metal & Boiler Works — Sheet and steel plate fabricators	45	3.00	43½	6.9
York Corrugating Co. — Metal stamping, wholesale plumbing and heating supplies	22	1.20	14¾	8.1
York County Gas Co. — Operating public utility	13	2.30	48	4.8
York-Hoover Corp. — Manufacturing specialized truck bodies and burial caskets	16	0.05	7¼	0.7
York Water Co. — Operating public utility	*15	1.30	29½	4.4
Yosemite Park & Curry Co. — Operates hotels, camps and stores	15	0.30	5	6.0
Young (J. S.) Co. — Licorice paste for tobacco	46	4.50	55	8.2
Younker Bros. — Department stores in Midwest	*11	2.00	33	6.1
Zeigler Coal & Coke Co. — Owns mines in Illinois and Kentucky	19	0.60	11¼	5.3

TABLE II

OVER-THE-COUNTER Consecutive Cash DIVIDEND PAYERS for 5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Alabama Tennessee Natural Gas Co. — Pipeline	7	1.20	24	5.0
Allen (R. C.) Business Machines, Inc. — Adding machines, typewriters, etc.	6	0.50	9	5.6
Allied Gas Co. — Public utility. Natural gas distributor	9	sd1.10	19½	4.6
Alpha Beta Food Markets — California super markets.	*8	0.90	20¼	4.4
American Bankers Insurance Co. of Florida, Class B — Life insurance	6	0.10	11¼	0.9

* Details not complete as to possible longer record.
sd Plus 50% stock dividend paid Dec. 2, 1957.

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U. S. Housing Market—and Our Position in a Troubled World

Venezuela, in Algeria, in Peru, in —well, where next?

And this is not new. There is more of this kind of news this year than there was last year. But the fact is the deterioration of our world position has been going on for some time. Many have forgotten that it was only last year that our Embassy in Taipei was sacked during an anti-American demonstration.

Obviously, this country cannot always—or even most of the time —influence developments abroad in a direction which would clearly favor our interests. There will probably be scattered instances of resentment toward our nation as long as it remains a world power. Thus only a narrowly restricted view would hold the Administration responsible for every reverse we may have suffered in our foreign relations, especially when both political parties in Congress have generally succeeded in maintaining a bi-partisan approach to international affairs. However, it is now clear that we have a great cumulative body of evidence that something is profoundly and fundamentally wrong with the conduct of our foreign relations and even with our policies themselves. It is equally clear that we ought to be urgently demanding why this is so and what can be done about it.

Defends Mutual Security Program

The first thought that might occur to many Americans would be to question the utility of the so-called foreign aid program. They might well ask if the program should not be abandoned if the recipients of American "bounty" over the past decade fail to show even gratitude and affection. I think the answer would be that we do not seek repayment in terms of emotion, but of concrete results. But the question really misses the whole point of the Mutual Security Program. And that point is so immensely important that I want to devote a few minutes to defending it against any attack from those who are keenly dissatisfied with the present state of international affairs, yet unable or unwilling to discriminate about its causes.

I think there is no need to defend the Marshall Plan at this late date, when even many of its erstwhile opponents concede that it was a resounding success. Indeed, the very fact that Western Europe today is as free and prosperous as ever before in its history is a living testimonial to the validity of the Plan. We can, on the other hand, recite the reasons for undertaking such an historic venture with every confidence that they are still relevant to our continuing efforts to strengthen the free world.

First, our aid to Europe without any doubt pulled the Continent back from the edge of an economic chaos which could only have been accompanied by political, social and cultural disaster. Western Europe was thereby enabled to maintain its all-important tradition and expression of individual freedom; Europeans today are as free to be anti-American as they are anti-Communist. We can only profit from their continued ability either to agree or to disagree with us as they see fit.

Secondly, the rehabilitation of Europe was vital to the preservation and extension of international trade. It was not just a matter of our having a market in which to buy and sell. So many portions of the world were and are intimately connected with Europe—particularly Africa — that economic upheaval on the Continent would have had disastrous repercussions around the globe.

Finally, as it turned out, we realized that our self-interest was served by the re-establishment of strong military allies who could relieve us of much of the burden for physically defending Europe against Soviet imperialism. Those nations stand with us now in the North Atlantic Treaty Organization, offering their soil as forward bases for our defensive complex of planes and missiles. The persons and possessions of these countries are hostages to the concept that free men would rather perish than surrender their freedom.

These are the sound, self-interested reasons for our Mutual Security Program even now. Having said this, I hasten to add that I have no thought of minimizing the unprecedented generosity of the Marshall Plan concept, which some people still regard as its primary rather than secondary motivating force. Yet I also add that the expectation of a reward detracts from the merit of the act of generosity and tends to relieve the recipient of any feeling of obligatory friendship.

Much of our foreign policy today is involved in the annual Mutual Security bills, which provide military as well as economic assistance to create conditions throughout the world that will maintain nations in their independence of Sino-Soviet bloc control. Yet today the task is far more complex and difficult than in the immediate postwar years. As attested by the orbiting of its earth satellites, the power and influence of the U. S. S. R. have greatly increased in the past few years; the Soviet bloc is now challenging us to a peaceful competition — even more dangerous because of its ostensible lack of bellicosity — in many underdeveloped and uncommitted areas of the world. We are obliged either to accept that challenge or to sit back and watch the boundaries of the free world recede. The overwhelming majority of Americans do not hesitate to reject the latter proposition. At the same time, we had better realize that whereas our major goals were achieved in Europe within four years, our efforts in the areas now at stake may take decades to come to fruition.

Favors More Foreign Aid

Thus, rather than there being any reason to consider our Mutual Security Program a failure, it has become imperative that we expend more time and effort — although not necessarily more money — on programming foreign assistance.

Let us take a brief look at just what is contained in the present program. The most important fact is that roughly 75% of the mutual security authorization for this fiscal year is devoted to military purposes: about two-thirds of the sum is purely military assistance, while the remainder is devoted to providing the logistic and economic defense support without which the arms could not be properly utilized. Out of the other 25% must come the funds for such a variety of necessary items as the Atoms for Peace program, bilateral and multilateral technical cooperation, the United Nations Children's Fund, refugee and escapee programs, and the President's Contingency Fund. I might add that almost half of the military assistance programed by country goes to Korea, Taiwan, Greece and Turkey; more than half the defense support is for Korea and Vietnam.

I am not displeased that these illustrative figures provide no support for those who clamor about the supposedly frivolous nature of the United States aid expenditures. On the other hand, I am deeply disturbed about what a number of us in the Senate consider the Administration's overemphasis on military assistance. The nature of the Soviet threat to many areas of the free world has markedly shifted from the military to the economic and political spheres. Considerable lip service has been paid within our government to this change, but not

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enough has been done to meet the new Soviet challenge. It was for this reason that I and many of my colleagues on the Foreign Relations Committe recently wrote to President Eisenhower, urging him to give his personal attention to the problem.

We believe that the undue concentration on military pacts and base requirements was responsible for much of the recent outburst of resentment against us in Latin America. For it appears that our rather off-hand attitude towards a presumable "safe" area negated the effect of the many sound programs we have undertaken in the region. Much more needs to be done, especially with regard to trade and balance of payments problems, but an end to the practice of giving only sporadic attention to Latin America is the first requirement.

In trying to remedy such lapses and to put our nation in a better position to counter the Soviet threat, the Senate has given particular attention to the urgent need of the uncommitted area for development funds on liberal terms. It took the lead in supporting the Development Loan Fund, which unfortunately has not received the full backing it deserves in Congress. Many of my colleagues also have long urged the creation of a Middle East Development authority such as that referred to in the President's recent United Nations speech. I am hopeful that increased attention will continue to be given to such ideas within our government.

I trust I have made my belief clear by now as to how important it is that our many international assistance programs not be subjected to a blanket attack by those who were dissatisfied with the conduct of our foreign affairs. Of course, mistakes have occasionally been made, and a number of adjustments remain to be made—we particularly need to work through the United Nations and other multilateral organizations. But, as was recently suggested by the Committee on Foreign Relations in its report on the Mutual Security Act, a carpenter does not throw away a hammer simply because he may from time to time miss the nail and hit his thumb. Neither does the carpenter trade the hammer for a smaller one. If he did so, his mistakes would hurt less, but it would take longer to drive the nail—and it might not be possible to drive the nail at all.

Let me add a few more words from the same source for those who say that the American people cannot afford these expenditures abroad. It is a little advertised fact that 80% of such expenditures are made in the United States—not abroad—and that even the remainder returns here in the form of foreign purchases of American goods and services. In the last analysis, the Mutual Security Program for the coming year wil cost each one of us little more than five cents a day.

I have already indicated in this brief outline of our international assistance programs a few of the factors which I believe have played some part in our foreign policy failures. To try to enumerate all the various reasons why I believe we confront a seriously adverse world situation would involve a long and closely argued separate paper. Instead, I would like to single out one particular factor as the main one underlying our difficulties.

Wants Leaders to Lead

It is the absence of strong, consistent, imaginative and wise leadership in both our domestic and international affairs. The present leaders of the nation are not leading, they are following. They are not willing to ask Congress and the American people to support the bold programs the interests of the nation demand. Rather, the Administration travels with one ear so close to the ground that it cannot see the future of America.

The present crisis in the Far East is a vivid example of how the Administration has been caught completely off guard and has rushed into the breach with a half-formed policy and the intention of playing the game on the basis of daily reactions. The explanation and attempted justification of our tactics thus could not help but be an illogical jumble of half-truths. There is even an Alice-in-Wonderland sort of flavor about the supposedly clinching arguments that Chiang's regime in Taiwan would fall apart if the morale of his soldiers were not sustained by the United States, and that our entire position in the Far East would be jeopardized if the offshore islands were lost. This latter is a version of the famous domino theory, according to which all Southeast Asia should have been lost to Communism by now as a consequence of the loss of North Viet-nam. If these clinching arguments are true—which is highly debatable—then why has the Administration done nothing over a three-year period to prepare alternative ways of remedying a basically untenable position? Why are prominent Americans simultaneously challenged to produce alternative policies and accused of weakening our unity when they attempt to do so?

But the most important question is: What can Americans from all walks of life do to improve the overall conduct of our foreign relations? With regard to the Far East crisis, most Americans seems either to adopt a highly emotional approach or an apathetic, fatalistic one — neither approach will help us in the least to solve our problems. I was frankly astonished that a cross-country opinion survey conducted by the New York "Times" on the Quemoy issue not only revealed a general lack of interest, but hinted that many Americans seem conditioned to the belief that war with the Sino-Soviet bloc is eventually inevitable. I personally reject such a notion with all the strength I can command.

One of our most notable scholars in the field of Russian studies has pointed out that Soviet citizens, while eager for peace, incline overwhelmingly to leave the complexities of the world politics to their leaders, "who understand these things, and know best." We can and must do better than that in this country. For I am not confident of any long-term improvement in the shaping and implementing of our foreign policy until the American people make a greater effort to understand the basic elements of our world position, and to bring increasingly to the fore leaders worthy of our greatest traditions.

In embarking upon the broad, bi-partisan foreign policy study authorized by the Senate, we on the Foreign Relations Committee hope to play at least a modest role in bringing out the fundamental premises which the American people should understand and upon which our policy should be based.

With Stanley Cooper

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Stanley W. Cooper is now associated with Stanley Cooper Co., Inc., 105 West Fourth Street.

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
American Furniture Mart Building Co. — Chicago real estate	9	0.25	23½	1.1
American Greetings Corp., Class B — Manufacture of greeting cards	8	1.20	26¾	4.5
American Home Assurance Corp. — Diversified insurance	7	1.40	33	4.2
American Rock Wool Corp. — Mineral wool insulation	7	0.80	13⅛	6.1
Ansonia Wire & Cable Co. — Plastic insulated wire and cable	5	0.30	6	5.0
Arrowhead & Puritas Waters, Inc. — Bottled drinking water	5	0.775	14⅞	5.2
Atlas Finance Co. — Auto financing	6	0.70	8½	8.2
Auto-Soler Co. — Manufactures nailing machinery	8	0.25	4¼	5.9
Blue Ridge Insurance Co. — Diversified insurance	8	0.35	20	1.8
Bradley (Milton) Co. — Games and toys	7	0.90	13½	6.7
Brooklyn Borough Gas Co. — Operating public utility	8	1.00	18½	5.4
California Interstate Telephone Co. — Operating public utility	5	0.70	13⅞	5.0
Capitol Records, Inc. — Phonograph records	8	1.15	23	5.0
Carlisle Corp. — Inner tubes, brake lining, bicycle tires, etc.	8	0.625	9⅜	6.7
Cedar Point Field Trust, ctfs. — Texas oil wells	8	0.48	6	8.0
Central Public Utility Corp. — A holding company	5	0.80	24	3.3
Chicago Railway Equipment Co. — Railway equipment and foundry (malleable)	7	1.70	35	4.9
Churchill Downs, Inc. — "Kentucky Derby"	7	1.30	17	7.6
Civil Service Employees Insurance Co. — Diversified insurance	*5	1.30	20	6.5
Collins Radio Co., Class A — Communication and navigation equipment for both air and ground applications, broadcast transmitters and accessories, amateur equipment	7	0.35	16	2.2
Commonwealth Natural Gas Corp. — Transmission of natural gas — public utility	5	1.70	39¾	4.3
Commonwealth Telephone Co. (Dallas, Pa.) — Telephone service	7	0.85	17¼	4.9
Consolidated Freightways, Inc — Motor freight	7	0.80	16¼	4.9
Consolidated Rock Products Co. — Gravel and sand	6	0.80	13¼	6.0
Consumers Water Co. — Holding co.	7	0.90	32	2.8
Continental Motor Coach Lines, Inc. — Kentucky bus service	9	0.70	38	1.8
Cooper Tire & Rubber Co. — Tires and tubes	8	†0.37	8½	4.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Corning Natural Gas Co. Operating public utility	6	1.055	19	5.6
Cosmopolitan Life Insurance Co. Life insurance	*5	†0.08	5	1.6
Cosmopolitan Realty Co. Denver hotel	8	16.00	252	6.3
Craddock-Terry Shoe Corp. Shoe manufacturer	9	1.00	22¼	4.5
Craftsman Insurance Co. Diversified insurance	*5	0.40	20	2.0
Credit Acceptance Corp. Auto financing	9	0.07	1¼	5.6
De Laval Steam Turbine Co. Turbines, pumps, etc.	7	0.75	25	3.0
Denver Chicago Trucking Co., Inc. Motor common carrier	8	1.25	21¾	5.7
Dewey Portland Cement Co. Cl. B Portland cement	*9	1.00	17	5.8
Eagle Stores Co. Variety chain in South	6	0.60	16½	3.6
Eastern Industries, Inc. Mfrs. pumps and traffic signals	6	†0.39	21⅛	1.8
Fairbanks Co. Valves, etc.	5	0.15	6¼	2.4
Farm Equipment Acceptance Corp. Farm equipment financing	6	0.45	n.a.	--
Farmer Brothers Co. Coffee roasting	*7	0.40	8¼	4.8
Fearn Foods, Inc. Soup bases, seasoning compounds, etc.	5	0.50	6¾	7.4
Federal Glass Co. Glassware & fibre boxes	*8	2.15	56½	3.8
Federal Life & Casualty Co. Life, accident & health	5	0.80	86	0.9
Firemen's Insurance Co. of Washington Fire insurance	5	1.50	36	4.2
First-Mechanics Natl. Bank of Trenton	9	1.70	33½	5.1
Fort Worth Steel & Machinery Co. Power transmission equipment	5	0.40	5¼	7.6
Frito Co. Food products	5	†0.63	28¾	2.2
Funsten (R. E.) Co. Sheller and packer of pecans, walnuts and almonds	8	0.60	10	6.0
Gamble Brothers, Inc. Lumber products	8	†0.79	10	7.9
General Gas Corp. Distributes LP-Gas, appliances, tanks, and LP-Gas carburation equipment	5	0.125	6	2.1
Giant Portland Cement Co. Portland cement	5	0.80	18	4.4
Glitsch (Fritz W.) & Sons, Inc. Refining equipment	5	†1.99	13½	14.7
Government Employees Corp. Auto financing	6	†0.63	35½	1.8
Green Mountain Power Corp. Public utility, electric and gas in Vermont	7	1.00	17	5.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 44

N. Y. Fed. Reserve Bank Expects 1956-57 Peak Output Soon With Unemployment Continuing

Evincing optimistic growth prospects for private and government demand in the coming months, Central Bank expects most of the economy's sectors will hit 1956-57 peaks within a few months. Cautions, however, that substantial gaps between visible level of activity and capacity production and labor force employment still remain.

Over-all business activity continued to expand more than seasonally in August and appears to have advanced further in September, the Federal Reserve Bank of New York reported in the October issue of its "Monthly Review." Output rose for the fourth consecutive month in August, and evidence continues to accumulate of prospects for the further growth of aggregate demand in the coming months — in the private as well as the government sector.

Despite a continuation of greater than seasonal increases in business activity, there is still a substantial gap between the currently visible level of activity and that which would reduce unemployment and surplus capacity to levels of recent prosperous years, the Federal Reserve Bank of New York reported.

Accompanying the expansion in production, total civilian employment rose in August but without a significant reduction in the level of unemployment. The actual number of unemployed workers declined in August, but this reflected in part the withdrawal from the labor force of temporary summer workers.

"Indeed, the number of unemployed workers 25 years old or over remained the same as in the previous two months, while the number of workers who have been jobless for six months or more continued to rise — and in August was about double the highest levels reached in the 1949 and 1954 recessions." Moreover, the seasonally adjusted rate of unemployment rose slightly to 7.6% of the labor force as compared with 7.3% in July.

Rising personal incomes, the prospects of some revival in business expenditures on plant and equipment, and an expected increase in government spending all appear to promise further growth in aggregate demand. Support for this view is also provided by the continued strength of construction contract awards and by reports of growing optimism among business leaders.

Return to 1956-57 Peaks

Prospects thus are good that production in most sectors of the economy may be back to the peaks of 1956-57 within a few months. However, this degree of recovery in output will be insufficient to reduce unemployment to a level approximating the 4% which prevailed during the first half of 1957. Growth in productivity and in the labor force requires an advance in economic activity to well beyond the earlier peaks before the unemployment of both men and machines is reduced to pre-recession levels.

In another article in the "Monthly Review," the Bank reports that between 1947 and 1956 manufacturing in the Second District has grown less rapidly than in the rest of the country. The slower postwar growth of manufacturing in the Second District was in large part attributable to the decline in the competitive position of its soft goods industries, especially apparel. In contrast, the growth of output of durable goods industries has been more rapid in the Second District than in the rest of the country.

H. L. Robbins Adds

(Special to THE FINANCIAL CHRONICLE)

WORCESTER, Mass. — Harold M. Foddy has been added to the staff of H. L. Robbins & Co., Inc., 37 Mechanic Street.

Daniel Reeves Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Cal.—Sylvia Stubblebine has been added to the staff of Daniel Reeves & Co., 398 South Beverly Drive, members of the New York and Pacific Coast Stock Exchanges.

With F. I. du Pont

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Cal.—Walter L. Thomason is now connected with Francis I. du Pont & Co., 1200 J Street.

Two With Rudd Co.

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif. — Albert Gross and William Y. Voegtli are now with Rudd & Company, Incorporated, 2608 El Paseo Lane, Town & Country Village.

Two With G. H. Walker

(Special to THE FINANCIAL CHRONICLE)

HARTFORD, Conn.—Clemons Herschel and Hugh C. McMillan are now connected with G. H. Walker & Co., 111 Pearl Street.

Charles Scranton Adds

(Special to THE FINANCIAL CHRONICLE)

NEW HAVEN, Conn.—David P. Jones has been added to the staff of Chas, W. Scranton & Co., 209 Church Street, members of the New York Stock Exchange.

With Norris & Hirshberg

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga. — J. B. Chance has become affiliated with Norris & Hirshberg, Inc., C & S National Bank Building.

Continued from page 5

The Stock Market Picture and The Intelligent Investor

weak spots reveal their true nature.

Advises Follow the Market Leaders

So, today, the trend is up, and there is nothing to do but to follow it, and cash in on it. Nobody will know the top. And nobody will know the turn, until stocks are down quite a bit. Thus, eventually some losses have to be taken. The aim is to get in early enough, and make enough profit, so that when the change finally occurs you don't lose more than 15 or 20% of the profit made.

I think at this point I ought to say something about risks. People say the market is high, so therefore risks are high. This is not always precisely true. Risks in my opinion are determined by the trend. Money is lost in a declining market, even if the level is low. Money is made in an advancing market, even if the level is high.

Risk to me, barring calamities, is determined by the amount you decide to risk before you open a commitment. It is related to the size of the swings of the stocks bought, and the size of the market, in relation to the size of individual positions.

Take, for instance, U. S. Steel. Over four million shares have been traded in the first eight months of this year. That is 500,000 shares a month, and an average of perhaps 25,000 a day. Of course, some days are much above that, and some considerably under. The stock has a relatively close spread between the bid and offer, and it is not difficult to appraise its volatility. Thus, it is quite reasonable for an investor or trader to buy 1,000 shares of Steel, and feel that he can liquidate his position in the event of a change at relatively small cost. To a knowing and sophisticated professional, the risks in U. S. Steel are low.

On the other hand, a security buyer building up a position considerably greater than the size of a market, should know that he is running a much higher risk, because if he is forced to change his position, he is more likely to take a considerable loss in doing so.

Now as to the outlook for the market, I think it is going to continue to be good. Technically, I think it is in good position, and from the standpoint of price movement, which means tapes, charts and the like, it is in a good position.

Go Along, But Not Blindly

The fundamentals are more difficult to assess, but as long as the trend of business continues up, as long as sentiment is optimistic, and the market continues moving forward, we should go along with it. The time of course will come when good news has no further effect, or when the news ceases to be good. I do not think that time has arrived.

As to what to buy, I feel that if you want to participate in this movement you have to buy the leaders, and stocks which are currently part of it. There are some excellent values in cheaper, less popular stocks, but perhaps these values will not be capitalized marketwise until the next bull period.

Thus, purchase selections largely from the tables of new highs, active leaders and those issues displaying the largest plus signs.

I say this is a guide. Don't misinterpret this as meaning that I think anybody should buy blindly from the new highs, and most active lists. To me, these are simply the places to look. You can narrow the list down, and then start your personal checking of individual technical positions, price movements, and statistical backgrounds.

I do not favor giving individual selections, but I think that U. S. Steel would be one of the types of stocks to own. The earnings trend is up, but more important than that, it would seem that there is a strong basis here for an upward revision of price-earnings ratio. U. S. Steel should be regarded as more of a growth stock, and less of a prince and pauper issue. This is reflected in the type of buying and in its action.

Rails are doing well. They are regarded popularly as a decadent industry, and maybe they are. But for the security buyer, they represent leverage. If the market is right in anticipating better business, it means improved earnings, and hence improved market prices for the rails.

There are excellent prospects for a recovery in the base metals, especially in copper. The selection of issues here is up to the individual, depending on his aims. Kennecott is the quality issue. Anaconda has the trading market. Magma is the most speculative.

There are opportunities in the electronics group, including some of the leading companies, as well as among the specialties.

The recovery in General Motors should carry on.

Oils have not yet moved in proportion to the market.

I think the divergence between the strength in American Telephone and income bonds is significant, and that AT&T is going higher.

There are opportunities in the motion picture group, and among agricultural implements.

That is the picture as I see it now. The market changes every day and the intelligent investor should be flexible and change with it.

Warns Against "Distrust of the Dollar"

A run-away dollar stands next to nuclear war as the greatest calamity that could engulf us, according to First National Bank of Boston.

Distrust of the dollar is the most serious and costly calamity that could befall us at home or abroad, short of all-out nuclear war, say The First National Bank of Boston in the October issue of its "New England Letter." Continuing, the Bank says, thus, no price is too great to pay for the containment of inflation, "the cruelest tax."

It is not surprising that many people, some confused by the causes and others indifferent to the effects, are in a sort of twilight zone, now sure and now unsure that inflation is inevitable and that future dollars will buy less and less. The sharp decrease in United States Government bonds, harsh though this has been in its effects, has probably served well in dramatizing the stresses and strains in the nation's money and credit system. We must have substantial savings if we are to have economic growth, yet people will not continue to save if inflation becomes accepted as a way of life.

Sound money is everybody's business. A dollar of stable and certain purchasing power is essential to healthy and lasting economic growth, to justice for the rising number of persons living on fixed incomes, and to equity between debtors and creditors. An annual increase in prices as little as 1% would cut the value of the dollar in half in 70 years, less than the average life span today.

Perhaps our greatest strength is that we have one dedicated agency — the Federal Reserve Board — which has not accepted the doctrine that inflation, creeping or otherwise, is either desirable, necessary or inevitable, or that it cannot be combated successfully with courage and steadfastness and with proper public support.

There are numerous impediments and frustrations in the successful accomplishment of the Board's objectives. In considering the recent move away from an easy money policy, it faced the necessity to be both early and decisive to be effective, and the possibility that its actions paradoxically could add to the fears of inflation. The Board also had to be cognizant of the conflicting needs to nurture a recovery whose stamina and carrying power had yet to be determined and to render appropriate assistance to a government faced with financing a huge deficit, without unduly expanding the money supply.

We have no right to expect miracles of accomplishment in a well-nigh impossible task from any agency made up of mortal men. The defeat of inflation is a forthright challenge to our very ability to govern ourselves. It is time that the American people were properly aroused by the long-term threat of inflation. They should emphasize in their actions producing more before they seek to consume more. Only by all groups working together unselfishly and working harder can we possibly hope to find a way to contain inflation which robs those least able to bear its ravages, and shrinks the value of every pay check, every pension and trust fund and insurance policy, and other forms of saving. The alternative can only be higher and higher taxes and an expanding role for government, a boom followed by a bust, and probable loss of much of our freedom of enterprise.

With Bear, Stearns

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — George E. O'Brien is now with Bear, Stearns & Co., 135 South La Salle Street.

With Jay C. Roberts

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mass.—William H. Boucher is now affiliated with Jay C. Roberts & Co., 18 Vernon Street.

Joins Bache Staff

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C. — Joseph W. Brady has become affiliated with Bache & Co., 108 West Market Street.

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The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Greenwich Gas Co. Public utility — Distributor of natural gas	7	0.70	12⅜	5.7
Gregory Industries, Inc. Stud welding equipment and welding studs	8	†0.49	14	3.5
Grolier Society, Inc. "The Book of Knowledge" and "Encyclopedia Americana"	5	0.75	18⅛	4.1
Hagerstown Gas Co. Natural gas supplier	7	0.80	10½	7.6
Hoving Corp. Bonwit Teller women's stores	5	0.80	11	7.3
HUBINGER CO. Corn refining ● See Company's advertisement on page 45.	9	1.15	22	5.2
Hudson Pulp & Paper Corp., Class A Pulp, paper and paper products	7	1.26	25½	4.9
Hugoton Production Co. Natural gas producer	5	2.65	66¾	4.0
Hydraulic Press Brick Co. Face brick	6	1.00	12	8.3
Indiana Gas & Chemical Co. Coke	7	0.75	15	5.0
Indiana Limestone Co. Limestone production	7	0.10	5½	1.8
International Textbook Co. Printing, publishing and home study schools	7	3.50	60½	5.8
Interstate Motor Freight System Common motor carrier	9	1.00	16⅜	6.1
Iowa Electric Light & Power Co. Operating public utility	8	1.50	31⅝	4.7
Jack & Heintz, Inc. Manufactures aircraft electric equipment	7	0.80	10⅜	7.7
Jacobsen Manufacturing Co. Power lawn mowers	6	0.60	5	12.0
Jersey Mortgage Co. Mortgage banking and real estate	8	3.00	48	6.3
Kaiser Steel Corp. Leader on Pacific Coast	7	0.40	34⅞	1.1
Kelling Nut Co. Edible nuts	6	0.25	6¼	4.0
Keyes Fibre Co. Molded pulp and fibrous plastic articles.	8	1.20	20⅝	5.8
Keystone Portland Cement Co. Manufactures cement	8	2.00	33⅝	5.9
Langendorf United Bakeries West Coast baker	9	1.20	23½	5.1
Lee & Cady Co. Wholesale grocery chain	5	0.60	9	6.7
Ley (Fred T.) & Co. N.Y.C. real estate	5	0.25	4¼	5.9
Louisville Transit Co. Bus line operator	5	2.00	52	3.8
Marmon-Herrington Co. Inc. Carbonic products; mining equipment; heavy duty trucks	9	0.50	12	4.2
Marsh Steel Corp. Metal products	6	0.375	6⅜	5.9
Material Service Corp. ' Limestone	6	3.00	335½	0.9
Maxson (W. L.) Corp. Electronic equipment	9	0.05	5¾	0.9
McNeil Machine & Engineering Co. Vulcanizers	7	1.90	28½	6.7
Metals Disintegrating Co. Metal powders	8	0.40	22½	1.8
Mexican Eagle Oil Co., Ltd. Ordinary Property interests	7	0.56	2⅞	19.5
Michigan Gas Utilities Co. Natural gas distributor	5	1.00	19½	5.1
Michigan Surety Co. Diversified insurance	*5	2.00	68	2.9
Mississippi Valley Gas Co. Natural gas distributor	5	1.12	21⅞	5.1
Monmouth Park Jockey Club, Common and VTC Thoroughbred horse racing	6	0.45	9	5.0
Moore (William S.), Inc. Retailing	9	†0.09	4½	2.0
Murdock Acceptance Corp. Auto financing	*6	†0.27	8¼	3.3
Mutual Mortgage & Investment Co. Mortgage financing	5	3.25	66	4.9
National Cranberry Assn. Cranberry products	8	1.00	10½	9.5
National Gas & Oil Corp. Natural gas and Pennsylvania grade crude oil	8	1.20	19⅞	6.0
New Jersey Natural Gas Co. Natural gas distributor	8	†1.39	34⅛	4.1
N. Y. Wire Cloth Co. Insect metal screening	6	1.10	13	8.5
Norris-Thermador Corp. Metal stamping and fabrication	8	0.75	12½	6.0
North Penn Gas Co. Operating public utility	8	0.80	10⅞	7.4
Northport (L. I.) Water Works Co. Water	5	1.60	28½	5.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

The Over-the-Counter Market — Where All Securities Can Be Traded and Most of Them Are

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Northwest Natural Gas Co. Operating public utility	6	0.63	16	3.9
Northwest Plastics, Inc. Plastic products	7	0.50	6⅞	7.3
Pacific Outdoor Advertising Co. Outdoor advertising	7	†1.16	10¼	11.3
Palace Corp. Trailers	6	0.10	1⅞	5.3
Pantex Manufacturing Corp. Laundry equipment	6	†0.59	17½	3.4
Park-Lexington Co. N. Y. C. real estate	6	10.00	153	6.5
Parker-Hannifin Co. Manufacturer of hydraulic and fluid system components	9	1.20	24¼	4.9
Penn Controls, Inc. Manufactures automatic electric controls	9	1.20	14½	4.9
Penn Fruit Co. Inc. Regional super market chain	6	†0.34	25	1.4
Penton Publishing Co. Business and technical journals	9	1.35	19¾	6.8
Perfex Corp. Manufacturer of heat transfer products	9	1.25	12	10.4
Petersburg Hopewell Gas Co. Natural gas	6	1.00	20	5.0
Petrolane Gas Service, Inc. Liquefied petroleum gas	*5	0.80	18	4.4
Philadelphia Fairfax Corp. Philadelphia apartment house	5	2.50	52	4.8
PLASTIC WIRE & CABLE CORP. Plastic covered wire and cable ● See Company's advertisement on page 43.	6	1.00	17½	5.7
Portable Electric Tools, Inc. Portable tools	6	0.40	6¾	5.9
Porter-Cable Machine Co. Portable electric tools	5	†0.77	18	4.3
Portland Gas & Coke Co. Name changed in August 1958 to Northwest Natural Gas Co.				
Portland Transit Co. Holding company	5	0.125	5⅜	2.3
Quaker City Cold Storage Co. v. t. c. Cold storage facilities	8	0.15	8	1.9
Quaker City Insurance Co. Diversified insurance	9	0.50	8½	5.9
Racine Hydraulics & Machinery, Inc. Pumps, valves, etc.	5	0.45	6¾	6.7
Radio Condenser Co. Radio & TV tuning devices	5	0.15	5	3.0
Ritter Finance Co., Class A Personal loans	6	0.24	5⅛	4.7
Robbins & Myers, Inc. Manufacturing motors, fans, hoists & cranes, and pumps	8	3.50	42	8.3
Rochester Transit Corp. Rochester, N. Y., bus lines	8	0.40	4¾	8.4
Rumford Printing Co. Magazines	6	1.00	70	1.4
Seaboard Fire & Marine Insurance Co. (NYC) Diversified insurance	8	0.90	18	5.0
Shedd-Bartush Foods, Inc. Margarine, peanut products and salad products	8	1.00	17	5.9
Signature Loan Co., Inc., Cl. A Consumer financing	6	0.225	3⅞	5.8
614 Superior Co. Rockefeller Bldg., Cleveland	5	2.00	37½	5.3
Smith (T. L.) Co. Concrete mixing equipment	8	0.15	11	1.4
Snyder Tool & Engineering Co. Special machinery	7	†0.38	10	3.8
Sommers Drug Stores Co. Retail drug store chain	8	0.40	7⅝	5.2
Sorg Paper Co. Sulphite, kraft and rag papers	8	0.55	8	6.9
Southern Nevada Power Co. Electric utility	7	1.00	22¼	4.5
Southland Paper Mills, Inc. Newsprint	7	2.00	140	1.4
Southwestern Engineering Co. Diversified operations	6	1.00	23	4.3
Spartan Mills Cloths and sheetings	8	1.25	34	3.7
Standard Commercial Tobacco Co. Tobacco merchandising	6	0.15	3¾	4.0
Standard Paper Manufacturing Co. Sulphite bonds & coated papers	7	4.00	57	7.0
Steak 'n Shake, Inc. Restaurant chain	5	0.30	5	6.0
Sterling Discount Corp. Auto financing	6	0.60	8¼	7.3
Stubnitz Greene Corp. Manufactures spring seats for trucks, cars and buses motor control switches and vinyl plastisols	8	0.50	7⅞	6.3
Suburban Gas Service, Inc. Petroleum gases	8	†0.79	20¼	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1958 $	Quotation June 30, 1958	Approx. % Yield Based on Paymts. to June 30, 1958
Tejon Ranch Co. California land holdings	9	0.60	24	2.5
Television-Electronics Fund, Inc. Open-end mutual investment co.	9	¶0.91	11	8.3
Tennessee Natural Gas Lines, Inc. Pipe lines	8	†0.48	12¼	3.9
Texas Eastern Transmission Operates natural gas pipelines	8	1.40	29⅝	4.7
Texas Gas Transmission Corp. Natural gas pipeline	6	†0.99	24⅛	4.1
Texas, Illinois Natural Gas Pipeline Co. Natural gas distributor	6	1.20	23⅛	5.2
Texas Industries, Inc. "Haydite" clay & shale aggregate	6	0.20	5	4.0
TITLE GUARANTEE AND TRUST CO. (N. Y.) Title insurance ● See Company's advertisement on page 18.	6	1.24	22⅛	5.6
Toronto General Insurance Co. Fire & casualty	*5	1.00	23	4.3
Transcon Lines Motor freight—common carrier	8	†0.465	13	3.6
Transcontinental Gas Pipe Line Corp. Interstate natural gas pipeline system	8	1.00	22½	4.4
United States Life Insurance Co. in the City of N. Y. Life, accident, health and group	8	0.14	34⅝	0.4
United States Sugar Corp. Sugar production	7	2.05	30½	6.7
United Transit Co. (Del.) Street railway & bus lines	5	0.60	5¼	11.4
Vendo Co. Vending machines	6	0.60	11⅛	5.4
Virginia Hot Springs, Inc. Resort hotels	9	2.00	41	4.9
Vulcan Corp. Wood heels, bowling pins, etc.	8	0.90	12	7.5
Warner & Swasey Co. Machine tools, earth moving machines, textile machinery, etc.	8	1.80	19⅜	9.3
Waverly Oil Works Co. Oils, greases and soaps	8	0.50	11¼	4.4
Weco Products Co. Toiletries	5	1.00	12	8.3
Western Precipitation Corp. Special purpose machinery	5	0.725	16¾	4.3
Western Utilities Corp. Holding company	5	0.32	6½	4.9
Wurlitzer Company Manufacturer and retailer of musical instruments	9	†0.49	7⅝	6.4
Wyckoff Steel Co. Cold finished steels	9	1.50	18	8.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
¶ Total includes 36 cents from investment income and 55 cents in capital gains.

Difference Between Listed and Over-the-Counter Trading

The exchange market is often referred to as an auction market because a stock exchange provides a focal point for the concentration of bids and offerings of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a security cannot be maintained, however, unless there is sufficient activity in it.

In those cases where less active securities are traded on an exchange, it devolves upon the stock specialist for each particular stock to create a market, in the absence of sufficient public orders to buy or sell, by, in effect though not in strict parlance, putting in an order for his own account. In other words, if you wanted to sell 100 shares of XYZ stock and the specialist had no order from anyone else to buy that stock, he himself would be expected to enter a reasonable bid on his own. The continuity of any market thus created is largely dependent upon his financial resources and his willingness to thus risk his own money.

The Over-the-Counter Market

On the Over-the-Counter Market the situation is quite different. Here there are a tremendous number of dealer firms from coast to coast that interest themselves in making a market for unlisted and some listed stocks and bonds. Most of them can communicate with each other instantaneously through private telegraph wires or other facilities at their disposal.

Thus many over-the-counter dealer-brokers, in New York, for instance, will be doing business throughout the day with other dealer-brokers in Boston, New Orleans, Chicago, St. Louis, Denver, Los Angeles, San Francisco, Seattle and other cities from coast to coast. As an integral part of their operations dealer-brokers stand ready to buy and sell substantial quantities of the securities they are "quoting" and maintain inventories in them. Some firms, of course, choose to act solely as brokers and not dealers.

Because of competition, the spread between the bid and the asked figures on more active stocks

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The Over-the-Counter Market – Where All Securities Can Be Traded and Most of Them Are

is quite narrow. In less active stocks the over-the-counter dealer must find contra-orders if he does not wish to assume inventory positions in the securities involved. It is his business to know which other dealers in all parts of the country might have a buying interest in a given security.

One, five, ten, fifty or more over-the-counter dealers in different parts of the country may interest themselves in "making a market" for a given unlisted security. Prospects known to the first dealer, or known to those other dealers he contacts (either locally or in other cities), may often include individuals who are believed to have a buying or selling interest in the instant security, or investors who might be induced to buy.

The process of constantly seeking out buyers and sellers is characteristic of the Over-the-Counter Market.

A major characteristic, too, of the "counter" market is negotiation. If a gap in price exists after a prospect is found, the transaction does not die. Instead negotiation ensues. The mere existence of a buy or sell order is the incentive for the "counter" dealer to find the opposite. The Over-the-Counter Market thus has no physical limitations.

As a practical matter, though, individuals in any city of 100,000 or more can frequently pick up a phone and call a dealer-broker and get an execution on an order for an unlisted security momentarily—often while the call is progressing.

Some "Counter" dealers sell directly to investors themselves. In other cases they may have a dealer following throughout the country consisting of retail firms that are always looking for securities that present good values to sell to their investor clientele.

Numerous exchange firms also deal in over-the-counter securities and any that do not must buy from or sell to an over-the-counter dealer to execute customers' orders for unlisted securities.

Many listed securities, too, are sold over-the-counter when the blocks are too large to make a quick orderly sale on an exchange possible.

An investor need not concern himself with the intricacies enumerated above, since his dealer-broker will obtain current market quotations on any over-the-counter stock or bond, and handle all details of purchase and sale.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to the investor. On an exchange, securities can only be sold in New York between the hours of 10:00 and 3:30; in the Midwest between 9:00 and 2:30, and on the West Coast between the hours of 7:00 and 2:30. However, in most instances unlisted securities can be sold any time between 9:00 and 5:00 in the Midwest, and on the West Coast it's even longer than that. Dealer-brokers in the Over-the-Counter Market there are on the job from 7:00 in the morning until 5:00 in the afternoon.

Stock Exchange Commission Rates vs. Counter Dealer Charges

When an exchange-broker executes an order for you in an exchange-listed stock, he tells you the cost price as well as the amount of his commission on your confirmation slip. On the other hand the over-the-counter dealer more often than not buys from and sells to you "as principal" or on a "net" basis as it is termed in the parlance of the securities business. This means his profit or loss is included in the price he quotes you and there is no commission charge shown on his confirmation. The over-the-counter dealer usually acts just as a merchant does in other lines of business. In other fields when you buy a set of dining room furniture, a fountain pen or what have you, the merchant sells it to you at a flat price and does not add any commission thereto. So with the "counter" dealer.

It is true that exchange commission rates more often than not are lower than the profit rates over-the-counter dealers are obliged to operate on. An important reason for this is the fact that the services of the over-the-counter dealer, besides frequently necessitating his taking the risk of an inventory position, include the extensive searching for matching bids and offers from potential buyers and sellers.

When a security is taken from the Over-the-Counter Market and listed on a stock exchange, over-the-counter dealers ordinarily lose interest in it, for they cannot make a profit trading in it at rates comparable to the commission charges of exchange firms. Though the "counter" dealers' profit rates may be somewhat higher, they may afford investors "better" prices than the less expensive service of exchanges.

Values

For one thing, the basic fact is that the price of over-the-counter stocks is not swollen by the premium the public is ordinarily willing to pay for exchange-listed securities. Then, too, active listed stocks and the exchange stock ticker system provide a ready vehicle for speculation and tend to center buying and selling decisions on short-term price swings in lieu of "real economic values." Many apparently buy stocks according to hoped-for price movement and not for true investment purposes, their interest being merely "where is the price going and when."

The mere fact that under the "exchange auction-specialist system" the spread between bid and ask prices is close or narrow is no indication that the investor gets good value when he buys or that the seller obtains a price in keeping with the intrinsic value of the stocks he wishes to sell. Intelligent investors are quick to recognize the fact that prices and values are two totally different things.

As pointed out before, the assumption of inventory positions is an integral part of the over-the-counter dealers' task. They must take the initiative in assuming such positions. Although they must be aware of and responsive to the foibles of their customers, they cannot without unwarranted hazard buy securities for inventory purposes unless they take cognizance of basic economic values.

Basic economic values may appear somewhat elusive, but they are nonetheless real. They consist of mathematical and non-mathematical elements. Some insights as to the real value of a stock may be gained by checking such things as its earnings and dividend records, book value and liquidating value. But the first three of these are tied to the past, and subject to the fact that accounting is an inexact science. And liquidating value may be largely of academic significance, if the corporation is going to continue in existence. The anticipated future average annual net income of a corporation may be capitalized numerically, but not without reference to many non-numerical concepts. These include the acumen, initiative, imagination and forcefulness of the officers and directors of the corporation. Speculation as to how the present and possible future products of a corporation will fare on the markets may be handled numerically only to a certain extent.

When an individual consistently purchases stocks without regard to basic economic values, he may at times make money, but sooner or later he will book losses. And although he may remain "in the market" for an extended period, he cannot do so after his capital is exhausted.

Inventory Positions

So it is with the over-the-counter dealer. If he habitually assumes inventory positions at prices out of line with basic economic values, the economic forces will in due time exhaust his capital and drive him from the scene. For survival he must be cognizant of the elements, listed above, which are determinants of the real value of the securities in which he is taking inventory positions. His prices cannot consistently be out of line with real values. Particularly in regard to the non-numerical elements which go into the making of the real value of a security in which he is to assume a position, he must, as a general rule, have knowledge superior to that of the lay trader.

Therefore, an important contribution of over-the-counter dealers who take important inventory positions results from the fact that their market pricing must be influenced definitely by intrinsic corporate value factors. They must stress value consciousness over quotation consciousness.

Officers and directors of the 14,000 banks and the major insurance companies of the country when buying or selling their own institution's stock for their own account do so almost entirely through over-the-counter dealers. Investment officers, of these institutions, too, are continually buying and selling government, municipal and corporation bonds and stocks through "counter" dealers for the account of their banks and companies.

Just as you get good or indifferent treatment and values from both large and small stores in other lines of business, so it is with over-the-counter dealers. It is not necessary for a firm to have a million dollars to be thoroughly trustworthy and to have good judgment with respect to investment values. Just be sure the over-the-counter firm or individual dealer you contemplate doing business with has a good reputation.

It is no exaggeration to say that both exchanges and the Over-the-Counter Market are vital to our economic life. Through the medium of stocks and bonds, idle capital of individuals, banks, institutions and the like flows into trade and industry and makes it possible for business to obtain the wherewithal with which to provide jobs for ever more workers at ever less human effort and at ever more remuneration. Savings thereby become an asset to society and not a problem. The beauty of it is that the capital needs of both big and small business alike can be thus served.

If it were not for the exchanges and Over-the-Counter Markets, investors of all types would find it almost impossible to quickly retrieve the capital they put at the disposal of governments, municipalities or corporations. This is one of the many reasons why it is socially important that those engaged in the investment business thrive.

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Investment of Pension Funds

System until this year had restricted its investment policy to exclude all investment in common stock, the inclusion of this fund within the total reported gives an excess emphasis on fixed-income type securities. The distortion by the Bell System is continued in the reported national average of return upon investment. This national average amounts to 3.84%, whereas the Bell System reports a return of approximately 2.9%. Obviously, if the Bell System were excluded from the study, the national average for return on invested capital would be considerably higher. Because of factors such as this, the figures published by the SEC are only useful as indications of overall investment trends.

Perhaps the most outstanding investment trend documented by these studies is the constant and steady growth of common stock investment in pension fund portfolios. During the past six years, investment in commons has shown the most rapid growth percentage-wise in relation to other types of securities. Since 1951, the common stock investment, as a percentage of book value, has jumped from 12% to 25% in 1957. Conversely, the investment in government bonds has shrunk from 32% of book in 1951 to 11% in 1957.

Furthermore, new common stock investment amounted to $978 million or 37% of net receipts by pension funds during 1957. Investment managers are relying upon the inflow of new money to increase their holdings in commons and there is every indication of a continuance of this trend. This substantial increase in common stock investment underscores the desire on the part of investment management for higher yield coupled with a fear of the continuing erosion of the purchasing power of the dollar.

The Investment of a Pension Fund

To begin with we must firmly establish the idea that no two pension funds are identical twins. Each and every fund has individual problems and actuarial peculiarities. There are no formulas which will satisfy the needs of all pension funds: there are no common or mutual investment portfolios which can possibly take into consideration the problems and peculiarities of each pension fund. Therefore, the task of investment must begin with an understanding of the purposes of the fund and then go to the consideration of the type of investment securities that can be selected to reach the stated objective.

The Trustees should acknowledge at the inception of their investment program that the selection of investments is by no means an absolute science. The process of investment selection is a matter of economic judgments based upon many variable factors. For this reason, an investment portfolio must represent something of a hedge, a choice of various types of securities which will represent a diversified list of companies and industries. This consideration, too, is an important part of the balanced portfolio.

The types of securities which will make up such a balanced portfolio are:

(1) **Treasury and Federal Agency Securities** which are utilized for protection of capital liquidity and moderate income.

(2) **Corporate Bonds** representing the indebtedness of high-quality U. S. corporations used for good income and safety of capital.

(3) **Preferred Stocks** which under special circumstances represent an attractive form of senior security for income purposes.

(4) **Common Stocks** which represent an equity or ownership of high-quality corporations providing excellent income and some protection against the rapid rise in the cost of living.

These are our investment tools. Each classification serves a distinct purpose and each should be wedded in such a way as to satisfy the specific needs of each fund. Therefore, the logical first step for the Trustees is to decide how the assets of the fund should be divided among these classifications.

Portfolio Diversification and the Selection of Securities

The investment philosophy chosen by the Board of Trustees will set the tone and personality of their pension fund. This philosophy will guide and govern the diversification of the portfolio and the selection of individual securities. Therefore, it is of utmost importance for the Trustees to: (1) consider the general economic factors affecting our society and the pension fund and; (2) relate these factors to the particular needs and problems of the fund.

It would be more interesting if I applied these considerations to an actual case, I would like to outline for you a fund to which we were recently appointed investment advisor.

Description of the XYZ Pension Fund

This is an area-wide bi-partite fund representing 3,000 employees and 220 employers. The industry has shown a consistent growth pattern for the past 20 years and is not subject to extraordinary swings of employment. The pension plan did not provide any vesting provisions prior to death or retirement but was liable for lump sum withdrawals at these times at the discretion of the Board of Trustees. The actuarial consultant had assumed that the fund's investments would earn $2\frac{3}{4}$% per annum.

Our basic discussion included the following subjects:

(1) Outlook for the economy.

(2) Historical background of investment securities.

(3) Long-term factors affecting pension fund investment policy.

(4) Actuarial requirements of the pension fund.

(5) An investment policy for the fund in light of these listed considerations.

(6) The selection of individual securities to complement this chosen investment policy.

Outlook for the Economy

The long term prospect for this country is one of growth and expansion. Our trends of population, consumption, living standards and productivity all point to a continuation of the industrial expansion experienced during the past 75 years. In those years, our rate of economic growth has averaged 3% per year. On the other hand, the cost of living has also shown a consistent growth pattern averaging 2% per year since 1880.

These two factors (1) continued expansion and growth and (2) continued depreciation of the purchasing power of the dollar appear to be the outstanding features in the long range picture of our economic climate and must be considered when long term investment patterns are established for pension funds.

Historical Background of Investment Securities

Before Trustees begin to discuss an investment policy for the future, it is a necessity to examine something of the historical background action of those securities which will be the pension fund investment tools. By reviewing the patterns of the past, the Trustees might be able to apply the results of their future program.

All bonds are essentially fixed income securities which promise a given rate of return over a specified period of time. At the end of that period of time, the principal amount is returned to the lender. The guarantees of principal and interest depend, of course, upon the continued financial strength of the issuer. As a participant in our historical pattern of growth, it should be noted that:

(1) Bonds have reaped none of the beneftis of our basic growth trend.

(2) Bonds, their interest and principal, have been vulnerable to the factors of rising prices.

Compared to the fixed income security, equities have as a group, directly participated in our economic growth through enhancement of capital value. Common equities have adequately protected principal from erosion of inflation. From 1880 to the present time, common stocks have shown an overall return of 7.5% (including dividends and appreciation). This return from common stock investment has more than matched the combined factors of economic growth and cost of living inflation.

Therefore, it becomes apparent that historically it has been the common stock which has protected the investor in terms of real values. Events indicative of this trend have been:

(1) Adoption of co-mingled common stock fund by New York State mutual savings banks.

(2) Amendment in 1951 of the New York State insurance law to permit investment in common stocks and the present drive by certain insurance companies to increase the percentage allowed.

(3) The essential character of the personal trusts and estates handled by many major banks and trust companies now lean toward an investment in common stocks amounting to well over 50% of the total portfolio.

It is the last point which bears the greatest importance to pension fund investment activities. There has been a noticeable trend in which the traditionally conservative investment organizations have shown a strong inclination towards heavier investment in common equities for their trust accounts. Their reasons are, of course, justified by the historical backgrounds and future forecasts for our economy. But the interesting point is that we can see no reason why this concept should not be applied to a pension fund unless there is a specific reason because of the nature of the plan.

The basic objective of a pension fund is to provide a satisfactory level of retirement benefits. Whether this level is to be measured by dollar promise or by "purchasing power" is a matter to be decided by the Trustees. But it is apparent that, even if the dollar benefits remain the overriding consideration on the part of the Trustees, some protection for the funds "real" value must be provided.

Long Term Factors Affecting Pension Fund Investment Policy

We feel that the primary objective for a fund should be its productivity (yield and appreciation) consistent with safety. The factor of fund liquidity depends upon the needs of each individual fund. More often than not it is of secondary importance. We fell that a pension fund's investment policy should be based upon long range objectives and since a pension fund is subject to a constant flow of new funds, they should be invested immediately in a "dollar averaging" pattern. Finally, there is no distinction between principal appreciation and yield in view of the final results to the fund (because of the tax-exemption privilege).

The XYZ Pension Fund Actuarial Requirements

As outlined before in the Description of XYZ Pension Fund, we understand that the fund does not provide for vesting but is liable to lump sum withdrawals at death or retirement at the discretion of the Board of Trustees. Assumed interest rate is $2\frac{3}{4}$%. With the exception of these provisions, the actuarial evaluations do not disclose any further problems which can be directly related to investment.

An Investment Policy for the XYZ Pension Fund

We have carefully considered the various factors affecting the XYZ Pension Fund, as well as those factors which will affect the economic outlook of this country. The relative stability of the industry; the lack of vesting provisions; the relatively conservative interest assumption; and the control by the Trustees over any lump sum withdrawals leads us to feel that there is no reason why the XYZ Pension Fund should deviate from the primary essentials outlined under "Long-Term Factors."

Therefore, we feel that the Trustees should attempt to arrive at an investment policy which will adequately provide the liquidity and safety of principal needed, but also give important recognition to the superior, long-term investment results to be realized through common stock investment. We suggest an eventual investment balance between fixed-income securities (bonds) and variable securities (common stocks) so that the fund will amount to 50% of each classification as measured against book value. However, the Trustees should retain the flexibility to vary these percentages in light when required by future economic developments.

The main reason for this choice is to gain the highest productivity for the fund while preserving a conservative balance within the portfolio. We feel that this selection is conservative in view of our historical background and future economic forecasts.

Selection of Individual Securities to Complement this Investment Policy

We do not have space to cover adequately this subject in light of the problems of the XYZ Pension Fund. As you are all well aware there are literally thousands of securities available for purchase by a pension fund. Obviously the problem of selection is of utmost importance. Therefore, I would like to outline those factors which must be considered before an individual security is included within the portfolio.

Bond Portion of Portfolio:

(1) Quality—Corporate Bonds are rated for investment quality by recognized financial services. Ratings designate those with the least investment risk (Aaa) to those with the greatest investment risk (c). Generally pension funds should restrict themselves to the first four ratings (Aaa, Aa, A, and BAA) in order to provide adequate protection to the fixed-income portion of the portfolio.

(2) Distribution of Maturities—In selecting the spread of bond maturities, the most important consideration should be the need for liquidity by estimating the cash inflow and outflow of the fund during future years and to protect any possible years of deficit cash flow.

(3)Marketability—at the beginning of an investment program and until the fund has reached a point close to maturity, a pension fund should not purchase bonds with limited markets.

Common Stock Portion of Portfolio

The successful selection of common stocks depends upon a number of important criteria effectively applied. As pointed out previously, our economy and our markets are ever-changing. We are not a static society of stable tastes and patterns. Constantly shifting patterns are all related to the equity market, and therefore, require constant study.

The common stock portfolio of a pension fund should be a cross-section of our economic structure reflecting the strongest and growing segments of industry. Translated into the actual choice of specific securities, this means that a fund should favor those common stocks which not only have evidence of historical strength but, at the same time, also promise future growth.

Important factors in common stock selection are:

(1) Outlook for economy as a whole.

(2) Outlook for individual industries.

(3) Outlook for individual companies within the industries selected as suitable investment media.

(4) Continuous supervision of selected investments in light of changing conditions and objectives.

Experience has proven that selectivity is the key to successful investment in common stocks.

Conclusion

The investment of a pension fund is a continuous activity which will eventually be directly responsible for the success or failure of the fund. The investment portfolio is the backbone of the pension fund. If it has been invested wisely to match the realities of our economic structure, then the fund will serve its beneficiaries well. On the other hand, if the fund fails to accomplish its objectives, then the main victim will be the retired worker, forced to subsist on a substandard income. This type of economic degradation is abhorrent to all of us. We have the vehicle and the tools to make the "poor house" a ghost of the past. Whether or not we will succeed depends directly upon how wisely you invest your pension funds.

Halsey, Stuart Group Offers Utility Bonds

Halsey, Stuart & Co. Inc. headed a group of underwriters which offered yesterday (Oct. 8) $11,000,000 Madison Gas & Electric Co. $4\frac{5}{8}$% first mortgage bonds 1988 series, at 100.893% and accrued interest, to yield approximately 4.57%. The group was awarded the bonds at competitive sale on its bid of 99.81%.

The bonds may be redeemed by the company at prices ranging from 110.52% to 100%. For sinking fund purposes only, the bonds may be redeemed at prices beginning at 100.85% in 1961.

Proceeds from the sale of the bonds will be used to pay short term bank loans incurred as temporary financing for the company's construction program and the balance will be applied to other construction costs to be incurred this year and next.

Madison Gas & Electric Co. supplies electricity and natural gas in the City of Madison, its surrounding suburban areas and immediately adjacent rural areas. Madison is the State Capital and the home of the University of Wisconsin.

Form Nassau Investors

WEST HEMPSTEAD, N. Y.—Nassau Investors Co., has been formed with offices at 123 Kensington Road, South. Timothy J. Murphy, Jr., is a principal of the firm.

Continued from first page

As We See It

considerable increases in government outlays before or by the time that the recession became pronounced.

Farm Subsidies

Farm income had been maintained at an artificial level for a good many years, and was one of the factors which kept personal income at levels higher than it would otherwise have been—and all too many current commentators seem to take it for granted that anything which keeps personal income at a high level is *ipso facto* not only anti-recessional, but good for the economy. Various other so-called transfer payments — that is, payments which do not grow out of current production—are commonly referred to as built-in stabilizers. This, of course, would include social security, so-called; unemployment insurance, unemployment benefits extracted by the unions from employers and public aid to the aged and incapacitated. Many of these have been increased quite substantially in recent years. Certain politicians now naturally claim that steps such as these were taken for the purpose of stabilizing the economy, although the truth would seem to be that they were for the most part mere vote catchers.

The sundry types of "insurance," particularly perhaps bank deposit insurance, are often credited with preventing the sort of collapse of banks and bank deposits as have been observed at times in past recessions, particularly in 1929. This claim seems to us to be more than dubious. The structure of bank credit, and other types of credit, too, were vastly different at the middle of 1957 from what they were toward the end of 1929. That is not to say, of course, that the type of credit outstanding in the later year was in any way ideal or that it may not sooner or later give a great deal of trouble. The fact is though that there was not in 1957 the vast structure of weakly supported bank loans by the great rank and file as there was in 1929—not only weakly held but subject to urgent "call" should the security which was supposed to protect them seem to weaken.

Mortgage Credit

There has been a vast expansion of mortgage credit, and it may well at some time in the future plague us seriously, but the situation in this sector of the economy was essentially different from that which existed in 1929. The trouble that this vast expansion of credit may well give could hardly be expected to be of the explosive nature that characterized the 1929 situation. In our view, it is rather more than doubtful whether any such collapse as that of 1929 would have occurred in 1957 or 1958 even if there had been no Federal Deposit Insurance Corporation, or any of the other insurance or guarantee programs, although it may well be that these schemes contributed to confidence on the part of the rank and file which could hardly be expected to understand the true inwardness of such situations.

Certain other measures were taken by the Federal authorities for the express purpose of limiting or ending the recession. Housing legislation, additional public works, and emergency unemployment payments to those who had already drawn all that was coming to them under the then existing law are among them. Housing seems to have been stimulated by certain of the steps taken, but the additional public works have not even yet reached the stage where much effect (other than strictly psychological) could be expected. The supplementary unemployment insurance payments came too late to draw honors when the matter of the cures for the recession are under consideration. What seems to be the lesson of such attempts as these to end recessions is that government machinery, in addition to other infirmities, moves much too slowly for the purposes in hand.

Easy Money

This leaves the favorite prescription of so many for almost anything that is wrong with business—that is easy money, low interest rates, and if feasible an expansion of the money supply. Nothing is to be gained by entering the endless arguments about the power of such tactics as these to influence the course of the so-called business cycle. Suffice it to say at this point there is scant evidence, if indeed there is any evidence, that the easy money policy of the Federal Reserve authorities had any appreciable effect in bringing the recession to an end—any effect, in any event, other than a purely psychological one. Some corporations quickly made plans to refund securities they had issued in 1956 and 1957 at rates higher than they wished to pay. A few of them succeeded in such refundings; many found the market not willing to take their obligations so readily as they had supposed. Mortgage money was made somewhat cheaper and more abundant and thus reinforced the efforts of the government to get home building on a more active basis. But he would have to be rather naive, it seems to us, to attribute a major influence to the easy money policy of the Federal Reserve authorities.

Most Important of All

But most important consideration of all is the fact—for fact it is in our view—that any stimulation given business by virtually any of these means must, whatever the immediate effects, build up conditions which will prove harmful and costly at some time or other in the future. It is now clear that this recession, if it really is a thing of the past, has left the major causes of it largely untouched. A vastly extended credit and debt structure, very high prices and very high wages (with the unions very much in the saddle), artificial stimulation of the economy in various sectors — these and other kindred conditions which are of the sort certain to give trouble in the future are all left in the economy. The recession has not been permitted to remove any of the conditions which caused it.

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Today's Trends in Mortgage Lending

deposits of all savings banks. If you add the Massachusetts banks, the proportion comes to 74.8%. The inclusion of the Connecticut and Pennsylvania banks raises the figure another 12%; while the addition of New Jersey raises the figure to over 90% of all savings bank deposits. In other words, **the savings bank operation is highly concentrated in only five of the 49 states.**[3]

The concentration of mortgage lending is as great as the concentration of deposits. About 92% of the mortgage holdings of mutual savings banks are held by the banks in the five leading savings bank states. **Less than one-third of this huge investment, which amounts to nearly $19 billion** (as of September, 1957) was placed in other than the state of domicile.[4]

Life Insurance Experience

By contrast, life insurance companies, which ordinarily are indifferent to state lines, and which, it may safely be said, distribute their mortgage investments in relation to the national distribution of the demand for mortgage funds, have only 15.6% of their nonfarm mortgage holdings in the five states which are the areas of greatest savings bank activity.

What these figures add up to is an extraordinary accumulation of investment capital in a very limited geographical area; and, with minor exceptions, **the investment of the portion of that capital allocable to mortgages in that same five-state area.** Judged by life insurance company experience, this area comprises **hardly more than one-seventh of the aggregate nonfarm mortgage demand.**

While we are at it, we might take a broader look at the characteristics of this area from the point of view of their influence on mortgage investment:

(1) During the first seven years of the current decade, the population of the five-state area of savings bank concentration increased only 7.4% compared with 12.5% for the country as a whole.

(2) Expressed another way, this area which comprised nearly a quarter of the population in 1957, provided only about one-seventh of the total growth in population during the present decade.

(3) Only 18.7% of the new private dwelling units built during the last four years were in the five states of greatest savings bank activity.

3 National Association of Mutual Savings Banks.

4 National Association of Mutual Savings Banks.

Cites Imbalanced Situation

These facts plainly present a picture of a slackening rate of growth in comparison with that of the rest of the country. They clearly reveal **an imbalance between the accumulation of capital and the demand for capital.** These circumstances lead to two results of profound significance to the mortgage investment of savings banks in the area of their greatest concentration.

(1) Mortgage interest rates are lower in the northeastern part of the country, and especially in New York and New England, than anywhere else. For example, in this area during the past few months the effective yield on local FHA mortgages newly acquired was about 4½% compared with an average effective yield on FHA's of 5.35% for the country as a whole.

(2) As I have pointed out, delinquency rates on home mortgages have fairly consistently been higher in the northeastern region than in the country as a whole.

If I may be pardoned for saying so, a combination of low interest rate with high risk just doesn't make banking sense. Yet this combination is exactly what would be expected from an examination of the data I have offered here. It is the natural and inevitable result of the circumstances that today control the mortgage investment of savings banks.

Whenever a surplus of funds presses for investment within a confined area, the consequences are certain to be: a depression of interest rate without any measurable increase in lending activity; a decline in the return that can be paid to savers; and either a discouragement to saving or a diversion of savings to other and more attractive media.

All this I think accurately describes the situation in which savings banks in the northeastern area find themselves. It is not a comfortable situation, and it is not one that holds good prospects for the future. On the contrary, the difficulties are bound to increase each year that the growth of the region fails to keep up with the growth of the savings banks.

There are only two ways out of such a predicament—an acceptance of a slower rate of bank growth or a further expansion of the investment field. Either the banks must sooner or later, by some means or another, limit their growth to the absorptive capacity of their region, or they must find some way of further broadening the scope of their mortgage investment. To me, and I am sure to you also, the second alternative offers the only sensible course.

To accept a stand-still policy, which is the sure consequence of a continuance of present limitations in statute and practice, is to deny the potential capacity of these great institutions to serve the growth of the nation as well as their own regions. It is a denial to the State of vast benefits that may be derived from the future growth of its savings institutions and the economic vitality that comes from vigorously expanding financial institutions.

A policy of expansion, on the other hand, produces nothing but advantage to all concerned. Most important, it gives the depositor a better deal in every respect.

The whole question of out-of-state mortgage lending, however, is academic. It is never raised in respect to bond investment, which is perfectly analogous. Are voices ever raised that local industries or local utilities are adversely affected because both savings and commercial banks invest in the securities of out-of-state enterprises? I have not heard them. Once the principle is established for mortgage lending, I do not think they would be heard in respect to it either.

Mortgage Correspondent System

I can think of only one other pertinent question. Could savings banks safely conduct mortgage investment at long distances? The answer here is irrefutable: nothing could be safer or easier. The mortgage correspondent system, which has served the life insurance companies so well and so long, is with all its experience and dependability equally available to savings banks. Those of your institutions who have used it for the acquisition of insured and guaranteed loans are well aware of its effectiveness. There is certainly no problem here.

An expansionist policy is right. The country is growing now; and it is moving toward a decade of still greater growth. Between now and 1970, some 11 million net additional families must be housed and probably as many as six million existing dwellings must be replaced, if we are to do no more than maintain our present standard of living.[5] In the next decade you will probably have even greater opportunity for growth than during the period 1946 to the present when the rate of expansion was the greatest in your history. Investment policy will probably have more to do in determining the extent and the rate of this new growth in the future than anything else.

Even today, the potential of growth is not being realized. Next year for example, there probably will be a net addition of close to 900,000 nonfarm families. Next year, there probably also will be a withdrawal of at least 450,000 units from the existing supply of dwellings—as a result of fire and other disaster, of change in land use, of abandonment, and of the advance of highway and urban renewal operations. Growth and withdrawal together will produce a possible requirement of over 1.3 million new dwellings. Yet, for 1959, an optimistic forecast is for the building of no more than 1.2 million new private units.[6]

If we are to preserve our private institutions, we must meet the demands that present and future growth and renewal impose upon us. To do this your resources are needed. They are needed badly and they are needed far beyond the borders of your own state. The savings banks of the country, concentrated though they are in location, have a national mission to perform. It is a mission that, if well performed, can bring greater prosperity to the savers who entrust their savings to the mutual savings banks. Can you, your law makers—your govern-

5 Miles Colean.

6 Miles Colean.

ments, in all good faith pass up this opportunity to serve your constituents?

The quality of mortgage lending is like that of mercy: **"it blesseth both him that gives and him that takes."** It is a reciprocal operation, an act of mutual advantage, if there ever was one. Again, like mercy, **"it is mightiest with the mightiest."** Because your resources are great your responsibilities and opportunities and possible rewards alike are great. **I wish all these, in the fullest, for you and yours.**

Smith, Barney Group Underwrite Offer by Office Equipment Firm

Addressograph-Multigraph Corp., Cleveland, Ohio, is offering holders of its common stock the right to subscribe for 141,113 additional shares of common stock at the rate of one share for each 20 shares held of record on Oct. 7, 1958. The subscription price is $62.50 a share and the rights will expire on Oct. 22, 1958. The offering is being underwritten by a group of investment banking firms under the management of Smith, Barney & Co.

Net proceeds received by the corporation from sale of the shares will be added to its general funds and, together with other cash resources, used to finance capital additions and improvements to production facilities, expansion of domestic and foreign sales and service outlets, the development of new and improved products, and to augment working capital.

Addressograph-Multigraph Corp., organized in 1924 as an outgrowth of a business originally started in 1893, is a major manufacturer of office equipment. Its products comprise an extensive line of name and data writing, duplicating and imaging machines for the preparation of business forms, communications and records, and a broad line of supplies and accessories.

Consolidated sales and miscellaneous income of the corporation during the fiscal year ended July 31, 1958 totaled $119,152,000, compared with $106,766,000 in the preceding year. Net income amounted to $9,168,000 and $7,671,000 in the respective years, equal to $3.25 per share and $2.72 per share on the basis of 2,322,256 shares outstanding at the end of each year as adjusted to reflect the three-for-one stock split on Sept. 15, 1958.

Uninterrupted quarterly cash dividends have been paid since July, 1935, and annual stock dividends of 3% commencing in 1951.

Eastern Pa. I. B. A. Group to Hear

PHILADELPHIA, Pa. — The Pennsylvania highway program will be the subject before the Eastern Pennsylvania Group of the Investment Bankers Association, at the I.B.A. luncheon meeting, Friday, Oct. 17, according to Harley L. Rankin, Goldman, Sachs & Co., Chairman.

Lewis M. Stevens, Secretary of Highways will be the speaker. Mr. Stevens will explain the highlights of the states highway program to the bankers. The luncheon will be at the Barclay Hotel at 12:30.

Chicago Investment Women to Hear

CHICAGO, Ill. — Special Agent Karl L. Steffansson of the FBI will be the guest speaker at the Oct. 15 dinner meeting of THE INVESTMENT WOMEN OF CHICAGO at the Chicago Bar Association.

His topic will be: CURRENT WORK AND RESPONSIBILITIES OF THE FBI.

Stifel, Nicolaus & Company, Incorporated Becomes New York Stock Exchange Firm

John W. Bunn (right), Vice-President of Stifel, Nicolaus & Company, Incorporated, receives congratulations upon becoming a member of the New York Stock Exchange from Ruddick C. Lawrence, Exchange Vice-President in Charge of Public Relations and Market Development.

ST. LOUIS, Mo.—Stifel, Nicolaus & Company, Incorporated, 314 North Broadway, was admitted to membership in the New York Stock Exchange Oct. 3, 1958, according to an announcement by Louis J. Nicolaus, Chairman of the Board. Mr. Nicolaus in his announcement stated the application of John W. Bunn, Vice-President, to become a member of the Exchange was approved Oct. 2 by the Board of Governors of the Exchange.

Stifel, Nicolaus & Company, Incorporated, originally established in 1890, have specialized in the underwriting of both corporate and municipal securities and also have placed emphasis on the retail distribution of these and other types of securities. The firm was among the pioneers of municipal revenue bond financing. Stifel, Nicolaus & Company, Incorporated is registered to deal in securities in ten states.

Officers of the firm are: Louis J. Nicolaus, Chairman of the Board (St. Louis); Joseph D. Murphy, President (Chicago); E. Wm. Barmstatter (St. Louis), John W. Bunn (St. Louis), James L. Jeffers (Chicago), Laurence J. Gable, Sr. (St. Louis), Hugh D. Moore (Chicago), Vice-Presidents; Fred S. Kelly, Secretary-Treasurer (St. Louis); Albert A. Hoffman, Jr. (Chicago), Joseph A. Nolan (Chicago), Frank T. Cullen (Chicago), Assistant Vice-Presidents; John M. Lancaster (Chicago) Assistant Vice-President-Assistant Secretary; and Joseph C. Zingrich (St. Louis) Assistant Secretary-Assistant Treasurer.

In addition to membership in the New York Stock Exchange the firm is a member of the American Stock Exchange (Associate) and the Midwest Stock Exchange.

The St. Louis operation is directed by Louis J. Nicolaus, Chairman of the Board, and operation in Chicago is directed by Joseph D. Murphy, President of the company. Chicago office is located at 105 West Adams Street.

Hayden, Stone & Company will be the firm's New York correspondent. In addition to the underwriting, retail distribution and transactions as a member on several exchanges, the firm maintains a complete trading department dealing in unlisted securities with direct private wire facilities to New York and principal offices.

Morgan Stanley Group To Offer Australian Bonds About Oct. 23

The Commonwealth of Australia on Oct. 3 filed a registration statement with the Securities and Exchange Commission covering $25,000,000 of 20-year bonds. The issue will be underwritten by a group of investment firms headed by Morgan Stanley & Co. Public offering of the bonds is expected to be made about Oct. 23.

The proceeds of the issue will be used to finance various public works projects throughout the Commonwealth of Australia.

The most recent sale of bonds of the Commonwealth in the United States market was an offering of $25,000,000 15-year 4¾% bonds in April, 1958.

Forms Selected Secs.

(Special to THE FINANCIAL CHRONICLE)

EAU CLAIRE, Wis.—Donald L. Hesse is engaging in a securities business from offices at 1712 Main Street under the firm name of Selected Securities Co. Mr. Hesse was formerly with John G. Kinnard & Co.

FHLB Notes on Market

Public offering of $106,000,000 Federal Home Loan Banks 3½% series D-1959 non-callable consolidated notes dated Oct. 22, 1958 and due April 15, 1959, was made yesterday (Oct. 8) by the Federal Home Loan Board through Everett Smith, fiscal agent of the Banks, and a nationwide group of securities dealers. The notes are priced at 100%.

The offering will provide additional funds for advances to member institutions of the Banks system to meet the rising demand for mortgage money.

Upon completion of the financing outstanding indebtedness of the Banks will amount to $722,000,000, comprising $432,000,000 short-term notes and $290,000,000 five-year bonds due 1963.

With Hornblower & Weeks

David D. Clark and Alfred C. Middlebrook, Jr., have become associated with Hornblower & Weeks, 40 Wall Street, New York City, members of the New York Stock Exchange, in the Institutional sales department.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week — Insurance Stocks

Probably there is not as general recognition of long-term growth of fire and casualty insurance stocks as there is of life issues; but analysis brings out that this attitude is not quite the case. It is true that for the decade ended with, let us say, 1956, the life writers enjoyed one of the most profitable periods in their history. It is also true that this period closed with extremely bad going, marketwise, of the fire-casualty group. All of which brings out the point that even a decade is a relatively short period for insurance stocks, life or fire-casualty, to do their best.

For example, the decade of the 1920's would not have shown up well, of course, because it ended with an early depression year of great severity. Any 25-year decade in underwriting is almost sure to come out well if only because in that period the business will have grown at more-or-less the same rate as the general economy.

Naturally, one prime factor in the matter is management. If a company is not equipped with capable management its results, no matter for how long a span, will be from indifferent to poor.

If we examine a group of companies in their investment operations, apart from underwriting, we find that there is wide variation in their results. There is presented a tabulation that, first, shows the net increase in the value of each company's assets for a 20-year period ended with 1957. This increase has then been reduced to a per-share basis, and the per-share figure related to the per-share invested assets figure of each company, at the start of the period. There are some very large net gains of values of assets in the two decades, such as those of the America Fore companies, Insurance Company of North America's, and Home's. And, on a percentage basis, there are a number of large gains in the ratios of per-share increases to invested assets figures at the start of the period, 1938 year-end.

Several of the companies listed have acquired by merger affiliates outside their field (Federal and its newly acquired life unit; Continental Casualty and its National Fire, etc.). We have given no effect to the acquired unit in such a case. Where mergers have brought together two companies in the same field (such as Continental Insurance and Firemen's of Newark) we have used pro forma data. Of course, adjustments have been made for stock dividends, splits, and capital increases via rights in the invested assets figures. The fact that the two America Fore companies and Insurance Co. of North America did so well in the ratio column may be traced to a combination of factors, one important one of which is the fact that these companies are heavy investors in a number of the better grade common stocks.

Twenty-Year Change in Value of Assets

	Total Increase in Value (in thousands)	Per Share	12/31/38 Invest. Assets	Ratio of per Sh. Chg. to 12/31/38 Invest. Assets
Aetna Insurance	$17,878	$17.88	$54.54	33%
Agriculture	4,059	10.15	41.28	25
American Ins.	22,372	5.39	5.40	100
Bankers & Ship.	4,277	28.51	38.01	75
Boston Insurance	11,480	11.48	26.87	43
Continental Ins.	199,034	29.92	9.79	306
Federal	27,767	10.28	11.45	89
Fidelity Phenix	170,732	42.68	17.05	250
Fireman's Fund	43,284	14.43	23.99	60
Glens Falls	14,609	11.24	16.86	67
Great American	68,825	23.99	16.62	144
Hanover Insurance	12,999	26.00	37.53	69
Hartford Fire	62,219	24.89	34.49	72
Home Insurance	110,526	27.63	32.08	86
Ins. Co. No. Amer.	220,907	41.33	20.97	197
National Union	3,767	6.28	40.07	16
New Hampshire	6,015	15.04	47.62	32
Northern Insurance	9,419	32.43	33.33	97
North River	16,285	20.36	25.33	80
Pacific	6,760	33.80	32.62	104
Phoenix	43,680	43.68	54.77	80
Prov. Wash.	132	0.33	39.38	0.8
Reliance	17,043	22.38	37.32	60
St. Paul Fire	31,705	7.75	10.17	76

Now Goold & Co.

ENGLEWOOD, Colo.—The firm name of Investment Sales, Inc. of Denver, has been changed to Goold and Company, and the main office of the firm is now located at 3385 South Bannock, Englewood.

Form Colonial Secs.

WASHINGTON, D. C.—Colonial Securities Corp. has been formed with offices at 422 Washington Building to engage in a securities business. Robert H. Davis is a principal.

Continued from page 14

Inflation—Past: Present: Future

money lost value, and as soldiers and bureaucrats multiplied and became the favored classes of the State, the urban masses, mainly unemployed, had to be "bought off" with a "Welfare State in kind" composed of free issues of bread, pork, and entertainments. The former governing class of the cities—the senatorial class — retired to larger and larger estates *(latifundia)* in the country, as the State's powers at the centre and in the cities grew. The State—indeed, the Emperors — came increasingly to depend upon the goodwill of the legions and the votes of an idle rabble, both of them bought by bigger depredations on the enfeebled tax-paying classes. As the unitary economic, defensive, administrative and legal territory of the Empire began to fall apart into feudal self-sufficing *civitates* surrounding the newly-walled cities, so an entire civilization fell apart. It dissolved, from the terrible third century onwards, into the dim outlines of modern European nations, and into our present ecclesiastical dioceses in Western Europe and the Middle East. (The very word "diocese" dates from this time.) This process of dissolution took two centures at least, and some say three.

It was accelerated, accompanied and never once halted, by the progressive pushing of taxation—upon individuals—beyond what their "value - judgments" were prepared to bear, through an ever-more-centralizing State. In the end, the State and the civilization dissolved into fragments, not because of barbarian invasions; indeed, the barbarians tried to maintain the civilization they admired; but because no one could be found to defend its integrity. That integrity had been inflated out of existence, out of defensibility.

Power - Politics and Inflation

Secondly, behind this remorseless centralizing of all economic and administrative life, was an antecedent **political** cause. Politics is concerned ultimately with the exercise of **power** over human beings who are organized, **by that** power, in a society. Centralization of the State's power — in almost every walk of life—went on from the time of Augustus until the collapse in the fifth century. It could only be maintained, kept centralized, by a continual process of favoring, fiscally and financially, the "power" which raised the Emperors to, and always kept them on, the throne: that was, the army. Heavy taxes on a minority of taxpayers, **plus** debasement of the currency, gave the legions and the bureaucracy a temporary—indeed, a permanent — advantage over all other classes. Only one small privileged "class"—the senatorial—kept its former advantages *pari passu*, by "contracting-out" of its traditional task of government, and going "back to the land": the forerunner of the class of feudal barons.

Most taxpayers were urban; all of them were a tiny, but economically important and productive minority; and, as their burdens grew, the *corps d'elite* of *decuriones* merely preferred slavery, flight, or the advent of the barbarians. This killed trade, commerce, capital and cities. Outside the cities, in the countryside, legionaries in their camps and the biggest senatorial landlords on their *latifundia* were exempt from taxes. So progressive debasement of the currency and penal taxation **to secure political power and support** ended in the degradation and disintegration of the centralizing State. It was a vast paradox. Power itself, ultimately, deserted the State, the centre, and took to the localities. And thus came the Dark and Middle Ages of servitude and status.

Paradoxes of Inflation

But there is a third factor, seldom mentioned by economic historians. It is the inherent paradox in this inflationary process: the contradictory behaviour of all governments that persistently inflate. One can say—of Imperial Rome and many another inflating government—that such governments undid as rapidly with their left hands whatever they were trying to do with their right. They always attacked—nay, are still attacking, after centuries—the surface symptoms rather than the disease. Such was Diocletian's notorious *Edictum de Pretiis* of 301 A. D. which made it **a capital crime to raise prices** anywhere in the Empire, and let us (you can consult it in the late Tenney Frank's transcription) a sobering standardization of all consumption and capital goods, their qualities, and their prices, throughout the then - known civilized world—from chariots and horses to ladies' underwear. Yet that decree was abandoned as bankrupt and inapplicable within two years. Not all of Diocletian's bureaucrats, soldiers and constabulary, under two Augusti and two Ceasars, could have cut of fthe numbers of heads that would have had to roll. Economic laws and human nature defeated even Diocletian.

The fallacy that you can control prices, production and trade by bureaucrats persists — despite the testimony of M. Krushchev's administrative reforms. But only symptoms are removed, never the disease; like the lady who had her double-chin removed by surgery, only to discover it at the back of her neck. The 100% totalitarian State—today or in history—merely removes one symptom and replaces it with another; or favors a new class of person by inflation, while penalizing another; or, in attempting to regulate all social and economic life while persisting with inflation, runs the machinery of government, the currency itself, and the entirety of social law and order headlong into a catastrophe.

Such a situation has occurred in our lifetime in Germany twice (after the world wars); it has proceeded far in France, where it continues; and in Britain the pound sterling has lost **nearly one-half of its purchasing power in the 13 postwar years alone** (and it continues there, too). It is idle for governments to imagine that such an inflationary situation—and all its social consequences—are cured by letting the inflation continue, while suppressing its manifestations. The tale from Augustus to Honorius—indeed, to the 17th century, and again in our own century—is sobering. It is a tale of contradictory, nullifying actions by governments which centralized all economic life; tried to control all prices, trade and finances; and steadily debased standards of value. It did not matter whether those governments were totalitarian or representative, whether they were selfish or altruistic, whether well—or ill-intentioned towards their subjects.

Inflation and Social Dynamics

But there is an interesting relationship between deliberate, persistent inflation and what we may call social and economic dynamics. It does **not** seem, from the classic inflations of history, that inflation and economic dynamics go together. On the contrary, such inflations redistributed whatever capital or wealth had been at that time accumulated, and thus gave a big boost to consumption—for instance, in early Imperial Rome or in Europe between 1525 and 1650. Such inflations seem, therefore, to spell prosperity at least to the mass of consumers, at the cost of a minority of former capital owners. They even transform the **nature** of capital itself — for instance, making land and farms more valuable than town houses after the flight from the cities "back to the land" in the later Roman Empire.

But these deliberate inflations more often in history seem to have spelled a secular decline; to have spelled social and economic statistics rather than dynamics. They certainly made some rapid social changes, but not in the direction of material betterment for society. Rather the reverse: they ran society down, tore it apart. And the converse of this is that if you look for technical and material progress, a period of real social and economic dynamics, you will more often find it—as economists would expect — when more and more new capital is needed, when interest rates are high, when big investment opportunities exist, when money seems to have enough stability of purchasing-power in the present and future to enable risks to be assessed and incurred for calculable prices, and when possessors of money incomes can measure the comparative attractions of spending on immediate consumption or investing for an equally reliable future yield. Such lasting periods of material progress and dynamic advances were found in the 18th and 19th centuries.

The Inflationary Trilemma

Now the more productive capital a society needs, the more inflation will drive the society onto a three-horned trilemma; either it will have to abandon freedom and secure savings forcibly, so long as inflation persists; or it will have to abandon inflation to get the savings voluntarily in a democratic society; or it will have to slow down or abandon economic progress and the necessary rate of formation of capital, if it remains democratic but inflates.

In history, naturally, we do not witness such a trilemma until modern times, when productive capital per head becomes great and grows rapidly greater. But it is interesting to note the **absolute decline** of standards, as inflation persisted. The supply of slaves—the ancient equivalent of our modern fixed assets and productive capital—ran out. Capital consumption was hectic and general. Mobile assets disappeared—particularly the slaves, and even a great number of the free citizens. And in more modern times, since inflation benefits all debtors and penalists, creditors, the progressive inflation—inflation as a policy — militates against the very process of capital-formation on which material progress, social dynamics and technological advances depend.

The inflating modern State, in short, still faces the trilemma I mentioned: it must abandon individual and social freedoms if it is both to form new capital fast enough **and** to inflate; it must abandon inflation if it is both to conserve freedoms and to form capital fast enough; or it must abandon hopes of rapid material progress (new capital formation) if it is both to inflate and conserve social and individual freedoms. I need say no more here about the ways this trilemma presents itself today, as between Russia and her satellites, as between Russia and the West, as between all kinds of governments and their citizens, as between (say) the United States and Britain, as between developed and under-developed countries, as between debtors and creditors both national and international, as between saving or investment on the one hand and spending or consumption on the other, as between all who still work and raise their earnings and those who have retired on fixed money incomes and cannot.

Never has the world been so short of capital simultaneously. Never has it tried to progress materially so fast in all quarters. Never have there been so many simultaneous inflations, putting such high premiums on consumption, and such heavy penalties on savings. The rule I discerned in the inflations of history is clearly observable at work today: the more inflation is now persisted in as a **policy**, the more do governments persisting in it undo with their left hands what they strive to do with their right. Inflation is the parent of paradox.

Inflation and Politicians

Not the least of paradoxes—in politics and economics—today is that the reat masses of people, in Russia as in Germany or Britain, begin to understand what inflation means. They begin to act on the assumption that it must always be reckoned with, hedged against, evaded. They begin to treat it as a weapon aimed at them, whether directly by the State or by the sellers of goods and services. So Governments — like the French a few months back—can only borrow "long" by pegging the bonds to gold; or employers and employed make bargains in the light of an already-discounted rate of **future** depreciation of the money, as in Britain. And so on.

When this awareness of inflation **as a built-in social institution** becomes general, the advantages of inflation to the State, the bureaucracy, the trade unions, and the State-centralizing political party (or parties), begin to fade away. The end is in sight. Something like this accounts for the extraordinary, and (to politicians) dismaying apathy, passivity, and absenteeism during recent British bye-elections. In Britain today, in consequence of inflation, big blocks of normally faithful Socialist and anti-Socialist voters simply do not go out and vote, because **both** political parties seem unable and unwilling to halt a 20-year-old inflation. Such a situation is dangerous, but symptomatic. Very naturally it accords well with inflationary Welfare State services (concealed subsidies to personal consumption), and the Socialists' denigration of, and contempt for, "sound money," profits, "the bankers," "the City," and management.

Here are social-politico-economic-effects of a long, progressive inflation a-plenty. Again a paradox emerges. Modern society depends more and more on increasing productive capital per head. Yet, in the name of welfare for all, we move steadily away from sound money and voluntary savings and democratic freedoms, towards more and more force and compulsion, exercised through a new oligarchy of bureaucrats. But, at the same time, Conservatives and Socialists protest that they are both anti-Communist, anti-totalitarian.

Surely if we can only progress materially by compulsion of a monolithic State apparatus—if all the mobility of capital and labor, of saving and spending, we can enjoy is what that State will allow us—and if all of this apparatus is clamped down on us because of the attempts of the inflating State to cover up symptoms rather than to cure a disease—then we ought to look far more closely to the disease itself. And we ought to begin by asking the old, old question *Cui bono?* When does inflation benefit? And, as of old, the answer will come back: the State itself, the bureaucracy, the Government, the political set-up—not even those who work as against those who do not. Inflation is lazy, timid, Government. That is why it constitutes such a threat to a free society.

Standards of Money and of Society

About the year 365 of our era the emperor Valentinian I faced even a worse economic, fiscal and administrative set of problems than his great predecessor Diocletian. The burden of taxes on the decurions of the cities had become so crushing that entire *civitates* — that is, not only the walled city but the agricultural supply-area around it — were rapidly and increasingly left without any *curiae* or local government. The reason of course was that the decurions of the *curiae* were legally and personally made **responsible for finding the taxes. Naturally, as the huge tax-burdens for the top-heavy centralized** State mounted, the individual decurions "fled." That is, they committed the first real *commendationes*, or voluntary personal servitudes of the feudal ages. They fled to the rich landlords of the big rural estates and either became their colons or their slaves. They even fled to the barbarians; and a strong Fifth Column—as we should now say—was formed from the educated city *elite* of the decurion class; for they intrigued to bring in the barbarians, in the Western city and its district after another.

In despair, Valentinian I—by no means a fool, and a brave emperor — decreed that the lictors should bring him three heads of decurions **from each curia throughout one entire province,** as an example (Back to Diocletian"s decree on prices, with a vengeance!) To this the prefect of the province, a certain Florentius, is said to have replied: "Will your clemency be graciously pleased to command what we are supposed to do in the cases of those *curiae* in which there are no longer to be found even as many as **three** decurions?" The outcome was simple and, according to the chronicler, terse. The emperor's order was revoked — just like Diocletian's edict over 60 years earlier.

Those examples from the Roman world—and many more we can find in the medieval and Renaissance world and thereafter—emphasize our dependence today on the long-run reliability of a standard of value. Consider: how little was the real capital, the productive durable goods, of the ancient and medieval world, right up to the last century. The horse was the only **local** means of locomotion until this century, at least by land. Yet in the last 58 years we in the West—who account even now for only one-sixth of mankind, **and only one-quarter if we include Soviet Russia and its European satellites** — possess virtually all the capital of the world. There is little productive capital south of the equator. Yet we, like the underdeveloped world, demand **more** capital; we invent more opportunities for its use; and in so doing—and inflating meanwhile — make the **worldwide** shortage of capital worse.

The Inflationary Challenge to Contemporary Society

Never in human history have these three trends coincided as they now do:

(1) The lengthening of the expectation of individual lives at birth by applications of medical science all over the globe, simultaneously;

(2) The simultaneous demands all over the globe, due to technical progress in communications *etcetera*, for rapid increases in productive capital assets per man; and

(3) The simultaneous demands all over the globe, for those and other reasons, for equally rapid increases in consumption of consumer goods per man.

Hitherto in history—even in the

history of the relatively slow inflation in Western Europe flowing from the import of the New World's precious metals in the sixteenth century—the effects of an inflation, even a fairly rapid one (e.g. Germany, Hungary, France, between the wars), have been able to be confined to a nation or a society more or less immediately affected. But that has manifestly not been true since the last war. Some **national** inflations have been faster than others; for instance, that of France has been faster than that of Britain; that of Britain faster than those of Germany, Switzerland, the United States, Canada, Venezuela.

But throughout the trading world on our Western side of the Iron Curtain, the inflation flowing from the simultaneity of the three factors I have mentioned has been steady and progressive. Nor, I submit to you, is there much sign that it will be **politically** brought under control—by which I mean as a matter of national and international governmental administrative control. Nor, indeed, is there much sign that democratic and representative governments will try to control it **in the long run.**

Accordingly we must be prepared for some explosive economic situation both within and between our Western nations before very long; and such an explosive economic situation in the contemporary world must also mean some pretty explosive political situations. Consider the ingredients of the mixture.

First there are the three factors I have mentioned as being at work all over the globe today—namely, rapidly growing populations and lengthening lives, rapidly growing demands for productive (or investment) capital, and equally rapidly growing demands for consumer goods everywhere

Secondly, because nowhere is sufficient real saving either encouraged (voluntarily) or enforced (as in Russia), a consequent inflation persists in the West, endemic and progressive.

Thirdly, at the rates we have clocked-up in the leading industrial nations of the West in the past 13 years alone, such an inflation puts a premium on consumption and militates against the very saving which is the cure of the inflation

Fourthly, being worldwide among us in the West, this inflation is almost unsusceptible of **national** control, while our political and administrative institutions—particularly in economic affairs—render it well nigh unthinkable that an **international** agreement to end inflation, by due stabilizations of monetary supplies, could be reached.

Fifthly, our technological progress has become so rapid and internationally all-embracing that scarcely one nation among us—and certainly not a leading industrial nation—can contract-out of the inflationary circumstances.

And sixth and lastly, in the light of all these ingredients of the mixture, it remains difficult to damp down inflation politically; in democracies it seems easier to copy the "antique Roman" manner—to buy the votes of those groups and classes who are "doing well" out of high taxes and inflation, to let the long-run reliability of the standard of value diminish, and to plaster-over any cracks in the social fabric (e.g. injustice to pensioners, holders of Government bonds, etc.) by belated and random palliatives.

Inflation As a Social Policy

If we look around us today we can recognize all the symptoms of the social disease of inflation, such as one can find *mutatis mutandis* in every society which has suffered it, from the ancient world until now. But we now see them on a cosmic scale. I do not need to emphasize here the injustices — even more, the wastes and inefficiencies—of such rapid inflation as we have had in Europe and America since the war: the advantaging of debtors, the pillaging *per contra* of creditors, the bureaucratic centralizations necessitated by governments unable to arrest (but willing to mask the symptoms of) inflation, the significant emergence of "gold clauses" and what the French now call *indexisation* for State and other loans at fixed interest, the absurdity of demanding more internal and international lending in the light of what has been happening to recent lenders, and the pervasive distrust of **all** money in economic transactions. These phenomena are as evident in the international arena as in the domestic.

The modern equivalents of Roman legionaires are what Communism calls "the workers," whose votes put democratic Governments in or out. Political parties in our democracies strive to buy these votes with the proceeds of repetitive raids on the property or earnings of a more productive minority. So a new privileged class of governors is born, at the cost of the providers of that productive capital whereon economic progress depends. A delightful, hectic, mass-consumption seems like a dynamic prosperity. All this marks democracies. In dictatorships, paradoxically enough, the long-run reliability of the standard of value and of accountancy is more carefully (if forcibly) safeguarded—just as, in totalitarian States too, the productive minority is relatively much better rewarded. Thus we and our enemies approximate.

The British Labor Party and its financial supporters, the trade unions, have been loudly demanding at one and the same moment a continuation of a steady 3 to 5% inflation **as a matter of policy**, and higher taxation on individuals and business, and more saving and investment by companies and individuals, and more foreign lending by Britain, and so on. The illogicality of all these British Socialist policies — which enormously encourage consumption and penalize saving—is scarcely ever perceived, let alone publicized. Inflation in the last 13 years has heavily advantaged the Labor Party's voters — the beneficiaries of the Welfare State, and the trade union members who have (on balance) emerged after those 13 years with a **net** advance of 25% in real income per head.

But the net advantage to those newly privileged classes has not been derived from the rise in output per head, i.e. from productivity. It has been derived from a redistribution of a comparatively static national income from one group or groups in favor of others, by way of taxation (positive Government policy) and inflation (negative Government policy). The parallels with what happened to societies in history, and with what is happening between the under-developed and the highly industrialized nations on our own side of the Iron Curtain, are disquieting.

Stable Prices and Stable Societies

Yet, in the light of the trends I have mentioned, what are our real needs—inside our still largely free societies in the West and between all of them? First, a standard of value reliable enough in the fairly long run to permit calculations of risks and to encourage saving and investment. Secondly, an agreed international system — facilitated by governments positively, or negatively by their allowing a natural system to work—under which both borrowers and lenders can calculate risks and rewards in reliable monetary terms, i.e. in reliable **real terms**. And thirdly, a far wider recognition that the Russians face precisely the same economic problems as we do in the West: namely, getting the savings, raising the productive efficiency, investing in under-developed territories, raising people's consumption, writing-off and replacing old with more and better capital, and so on.

Surely it is time we proclaimed the economic lesson of inflations in history, and of Russia's economic development these past 40 years. That lessen is this: you can inflate and expropriate former **elites** and privileged groups out of their property and their existence; you can benefit new privileged classes; but you cannot develop even a totalitarian State (like Russia) or a totalitarian empire of client-States (like that of the Russians) without **elites**, privileged groups, encouragements to enterprisers, and some pretty drastic going-without of consumption on the part of the mass of consumers. Surely we ought to teach this lesson to our own electorates? Surely the social, administrative —even the **political**—upheavals in Russia in the last few years, after all the Russian people and their rulers have been through, show that economic calculability, monetary dependability, and the reliability of standards of value are the prerequisites of a stable and dynamic society and of economic progress.

To my mind there is precious little choice open to us between being democratically reasonable—that is, securing sound money and a free economy—and, on the other hand attempting to get much the same economic results by totalitarian controls, force, blood and iron. If you try to straddle the two, you will only get an inefficient, static, collectivist catastrophe: which is how I see Socialism as contrasted with Communism. It seems that too many of our Western intellectuals are crossing to the Russian side of the street just when Russian intellectuals, having trodden it long and painfully enough, have started to cross to ours. I can comprehend, though not support, the economies and politics of a 100% totalitarianism. I can neither comprehend nor support those of a Socialism which simply spells social collapse into totalitarianism.

Conclusion

I have tried to show that the working-out of inflations in history caused big social changes and injustices, from which however little if any real economic progress little social dynamics, came. In some cases, especially that of Rome, the entire social fabric and a civilization came down in ruins, and on the ruins little was built for 1,000 years. In a few cases—that of sixteenth-century Spain—the continuation of steady inflation was not so much due to political cowardice or ineptitude as to sheer ignorance of causes. But in most cases of uninterrupted, progressive and rapid inflations — from Rome to Germany — the causes were appreciated, the inflation became policy, and the government utilized it for purposes of politics, i.e. of power. The ends of such policy-inflations were socially cataclysmic and their outcomes unplanned, though predictable.

Some such prospect, I fear, faces us all in the now-interdependent trading world of the West. For reasons into which I cannot go more deeply at this moment—I think we still face a **choice**, not a deterministic **fate**. The choice seems to me to be between an unplanned, really unwanted, but nevertheless inescapable social cataclysm, caused by deliberate prolongation of progressive inflation beyond the point of toleration by all classes of taxpayers, on the one hand; and, on the other, reasoned and reasonable agreements — within and between our leading countries—to restore long-run reliability to our standards of value.

True, if we take the latter choice, our peoples and their governments, groupings, vested interests, etc., will have to bear the practical implications of such rationality and reliability in both domestic and international affairs. Those practical implications are what makes democracy difficult to run, politically, in one country; and makes cooperation between democracies so difficult. What do the masses of our citizens, and their competing political leaders, really want? This challenge must be repeatedly and publicly put before them.

If, in fear of taking the difficult choice, they take the easier inflationary one, I think they will soon bring about the social and international unheavals which I have described — both in history, and as possibilities in the not-too-long-run future — as cataclysmic, abrupt, and uncontrollable. Planned, progressive inflation, as a social policy, ends in unplanned, unwanted, but inescapable—and, above all, unforeseen — disaster. That, to my mind, **is** the lesson of all such inflations in history.

Sheperd Re-elected Head of N. Y. Clearing House Association

Election of officers and committee heads, report on favorable legislative response to recommended banking laws, and registration of a new high in clearings for 6th successive year, mark principal items on the agenda of the 105th annual meeting of N.Y. Clearing House Association.

At the 105th Annual Meeting of The New York Clearing House Association held Oct. 2, Howard C. Sheperd, Chairman of the Board, The First National City Bank of New York, was re-elected President of the Association.

Howard C. Sheperd

William S. Gray, Chairman of the Board, The Hanover Bank, was elected Chairman of the Clearing House Committee. Thomas P. Jerman, Executive Vice-President, Guaranty Trust Company of New York, was elected Secretary of the Association.

The Committees elected to hold office during the next fiscal year are as follows:

Clearing House Committee: William S. Gray, Chairman of the Board, The Hanover Bank; George C. Textor, President, The Marine Midland Trust Company of New York; Eugene S. Hooper, President, Manufacturers Trust Company; George Champion, President, The Chase Manhattan Bank; and Albert C. Simmonds, Jr., Chairman of the Board, The Bank of New York.

Conference Committee: Benjamin Strong, Chairman of the Board, United States Trust Company of New York; Robert E. McNeill, Jr., President, The Hanover Bank; Isaac B. Grainger, President, Chemical Corn Exchange Bank; James S. Rockefeller, President, The First National City Bank of New York; and William H. Moore, Chairman of the Board, Bankers Trust Company.

Nominating Committee: Richard H. West, Chairman of the Board, Irving Trust Company; Dale E. Sharp, President, Guaranty Trust Company of New York; Alex H. Ardrey, President, Bankers Trust Company; Harold H. Helm, Chairman, Chemical Corn Exchange Bank; and Hulbert S. Aldrich, President, The New York Trust Company.

Committee on Admissions: George A. Murphy, President, Irving Trust Company; H. P. Davison, President, J. P. Morgan & Co. Incorporated; Ralph S. Stillman, President, Grace National Bank of New York; Hoyt Ammidon, President, United States Trust Company of New York; and Donald M. Elliman, President, The Bank of New York.

New High in Clearings

According to the report submitted by Paul R. Fitchen, Executive Vice-President of The New York Clearing House Association, there are 14 member banks in the Association having 465 branches, in addition to the Federal Reserve Bank of New York and seven clearing non-members.

For the sixth successive year a new high in clearings has been recorded. The clearings for the year were $628 billion, an increase of $54 billion over last year.

The average daily clearings amounted to $2,492,000,000 which is also a new record. The record for a single day's clearings was set on June 17, 1958 when a total of $4,578,000,000 was cleared.

It was also reported that the centralized delivery service to the Clearing House for incoming airmail and air express shipments consigned to member banks from correspondent banks, initiated three years ago, handled over 263,000 pieces of airmail and air express during the year, an average of over 22,000 pieces per month.

Recommended Banking Legislation

It was also reported that the committees studying the Banking Law of the State of New York at the request of the Joint Legislative Committee and the Superintendent of Banks, had submitted at the 1958 legislative session 33 recommendations and 20 had been signed by the Governor. This two-year study, now substantially completed, has had a total of 38 of its recommendations become law.

Johnson to Attend World Bank Meeting

MILWAUKEE, Wis.—Joseph T. Johnson, President of The Milwaukee Company, will attend the 13th annual meeting of the board of governors of the International Bank for Reconstruction and Development Oct. 6-10 in New Delhi, India, as a personal guest of Eugene R. Black, President.

Joseph T. Johnson

Mr. Johnson has attended every annual meeting of the international body, known more commonly as the World Bank, since it was organized in 1945 as an instrument of the United Nations.

Form Investors Guaranty

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif. — Investors Guaranty, Inc. has been formed with offices at 339 North Canon Drive to engage in a securities business. Officers are Herman Wilstein, President; Richard A. Ryan, Vice-President; and Willard D. Horwich, Secretary-Treasurer.

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The Operation and the Future Of the Export-Import Bank

with credits numbering in excess of 200 or more this past year, the work is still carried on by the same one man, plus a secretary.

The recommendation of the Advisory Committee with reference to disseminating information regarding the Bank's activities was welcomed by the Directors, officers and staff.

With the cooperation of a former President of the Export-Import Bank, William McChesney Martin, now Chairman of the Federal Reserve Board, a series of meetings was held in ten Federal Reserve Banks and branches.

For these meetings, which were all-day affairs, we took a five-man team of Directors and officers. We encouraged the attendance of private bankers and their clients interested in the export field. At most of these meetings it was customary to meet also with Chambers of Commerce, Exporter Clubs, or World Trade groups.

In addition to these all-day meetings held in the Federal Reserve Districts, the Bank's Directors, officers and top-flight staff men have appeared on literally dozens of programs from coast to coast. This effort to educate the public about the operation of the Export-Import Bank is a never-ending task for various and obvious reasons. New men and additional firms are constantly entering the international trade field and the scope of the Bank's activities and policies is also subject to change. It should be emphasized also that the loaning policies of the various agencies of the United States Government are not static.

Looks at the Record

Now the questions are: (1) Has this activity paid off; and (2) What about the future? To borrow a phrase from a famous New Yorker, "Lets look at the record."

These figures do not include all the additional dollars spent by the borrowers, the participation by the exporters, or the additional financing by private banks. So one must estimate the effect these loans have on our U. S. economy.

Stockholders usually ask the management the frank question: Are you making any money? Here again is the six-year record:

On June 30, 1958, at the close of the fiscal year after the payment for 24 years of all expense, losses and interest on borrowed money and for several years after paying $22,500,000 annually on the Bank's capital stock of $1 billion, the earned reserve held by the U. S. Treasury amounted to $487 million.

A brief report of the Bank's volume of business over the 24-year period at the close of the fiscal year this past June 30th is summarized as follows:

	Millions
Loans authorized	$9,348
Participation by others	334
Credits expired unutilized	1,426
Disbursed on loans	6,164
Payments received on loans	3,123
Undisbursed loan authorizations	1,424
Outstanding loans	3,040
Total undisbursed loan authorizations and outstanding loans	4,465

Earlier mention was made of the changes in operations or in the trends in the financial field. For example, the exporter credit program has been developed in its entirety since four years ago.

Then there has been a marked increase in the Bank's activity in the private sector. During the past 24½ years, 72% of the dollar value of loans made by the Bank were granted to governments or government agencies, and 28% to private enterprise.

During the past fiscal year 45% of the dollar value of loans were granted to governments or government agencies and 55% to private enterprise.

The loans made by the Bank throughout its lifetime, by numerical count, indicate that 77% were made to or for the benefit of private enterprise. During the fiscal year just ended this figure was increased to 85% by number of loans in the private sector.

These figures of course indicate the increase in exporter credits. It is clear that a large percentage of credits by number are in the private sector, but it is equally clear that a large percentage of dollar volume originates in the development loan field, which in turn results in literally hundreds of orders being placed with suppliers throughout the United States.

Repayment in Foreign Currency

Another innovation in the Bank's activities has resulted from Congressional action known as the Cooley Amendment to Public Law 480 whereby the Export-Import Bank may receive for loans to private enterprise up to 25% of the proceeds, in foreign currencies, of sales of surplus agricultural commodities.

Following the enactment of this legislation commodity sales have been consummated by the U. S. Department of Agriculture with 23 countries. The first loans under this program were made in Mexico since the first of July of this year. Applications for loans in Israeli pounds were terminated on May 31st and for French francs and Colombian pesos on July 15, 1958. Therefore, in addition to the applications that have already been received from Mexico, Israel, France and Colombia, the Bank is currently receiving applications for loans in the currencies of the following countries:

Ceylon, Ecuador, Finland, Greece, Iceland, India, Italy, Korea, Nationalist China, Pakistan, Peru, Philippines, Turkey, Viet-Nam.

Fiscal Year	No. of Credits and Allocations Authorized	Countries	Credits Authorized (In Millions)
1953	35	12	$571.0*
1954	42	16	250.4
1955	84	25	488.2
1956	162	41	375.9
1957	206	38	1,066.0**
1958	302	33	855.6

*Includes $300 million credit to Brazil.
**Includes $500 million credit to United Kingdom.

Fiscal Year	Gross Income	Adminis. Expense	Interest Paid to U. S. Treasury	Dividends Paid to U. S. Treasury	Net Added to Reserve
			(In Millions)		
1953	$75.8	$1.1	$23.0	$22.5	$29.0
1954	86.6	1.1	28.1	22.5	34.9
1955	85.8	1.2	25.5	22.5	36.6
1956	85.5	1.5	23.9	22.5	37.6
1957	85.4	1.7	23.2	22.5	38.0
1958	101.3	2.1	30.2	22.5	44.1

Ex-Import-Bank's Future?

Now, the final question (I believe it is no longer popular to refer to the $64,000 question)—what of the future? I only wish I could answer this question with complete candor and assurance, but frankly, I cannot. . . .

Three years ago the present Administration decided that the United States position should be: (1) that if a foreign borrower wanted to buy in the United States market he could come to the Export-Import Bank for his financing; (2) if a foreign borrower wanted to buy in the international field, the natural place for him to go would be to the International Bank for Reconstruction and Development for his financing; and (3) the United States Director on the International Bank for Reconstruction and Development and the wholly-owned United States Export-Import Bank should coordinate their loaning in a manner any two banks would when dealing with a common borrower.

This plan, I must say, has worked out well, with increased cooperation evident on both sides.

And at all times, and more especially during this period of financial stress with its world-wide shortage of dollars, the cooperation with the International Monetary Fund has been, I believe I am safe in saying, *excellent*.

A year ago Congress authorized the Development Loan Fund as requested by Secretary Dulles. The Directors of the Export-Import Bank supported the request of the Secretary. It was our thought then and now that the Fund was organized "to help meet urgent needs for economic development in less developed countries that cannot be financed by other lending agencies . . . (and that), these loans, which to a large extent will supplement earlier grants, will be repayable in local currencies as well as dollars." This quotation is from The Federal Budget in Brief, as submitted by President Eisenhower to the Congress on Jan. 23, 1958.

The President of the Export-Import Bank was placed on the original three-man Loan Committee and when the law was re-written, was named as a member of the Board of Directors of the Development Loan Fund.

This past month President Eisenhower, in his historic speech before the United Nations, announced the United States would support a Middle East Development Fund. The previous day Under-Secretary of State Dillon informed the Executive Council of the Organization of American States that the United States would support a Latin American bank, reversing a policy of many years standing.

You have undoubtedly read news reports that proposals will be made in New Delhi next month at the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development to increase the borrowing quotas of the various member countries. The exchange of letters between President Eisenhower and Secretary Anderson, which dealt with this subject, was published in full.

It would most certainly be imprudent for me to comment on any of these decisions, which are in the formative or discussion stage, and which will in the final analysis require Congressional action.

All I can say is that the future of the Export-Import Bank and its operations could most certainly be affected unless certain safeguards are written into the provisions of the charters of these various organizations when, as, and if created.

In concluding, may I express my own view born out of years of banking experience, plus five and a half years of active participation at the Department of State and in the Export-Import Bank in the international trade field. It is my studied personal opinion that our foreign policy and our United States economy will be strengthened by the maintenance of a strong, active Export-Import Bank, with its record of more than 24 years of accomplishment.

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We Cannot Afford Not to Have The Development Loan Fund

effectively the purposes for which it was created.

Loans to Date

Now as to the operations of the Fund. As of Sept. 6 we had executed official loan agreements totalling $107.5 million. In addition we had approved additional loans for which agreements will be signed subsequently amounting to $205.9 million. In total, therefore, we have executed or approved loans totalling $313.4 million. We are proceeding at a pace which leads us to estimate that we will have committed most of our capital, including the additional capital recently received, within a few months time and we will probably be obliged to ask Congress for additional funds early in the coming year.

At this time we have additional loan applications on hand amounting to approximately $1,600,000,000. By the end of this calendar year we will probably have received upwards of $500 million more. Under the circumstances, with the tremendous volume of applications on hand together with our accelerating ability to process them, I feel we should be prepared to handle a larger volume of lending by the Development Loan Fund in future years, probably in the order of $1 billion per year.

Loan Criteria

We are now looking at each of the proposals before the Fund in terms of the following basic criteria:

(a) The proposed activity must be located in one of the less developed countries of the world.

(b) It must contribute to economic growth.

(c) It must be economically sound and technically feasible.

(d) Financing must not be available from other free world sources on reasonable terms.

(e) There must be a reasonable prospect for repayment.

(f) The proposal must be one which will assist free peoples, and the country involved must not be engaged in shipments proscribed by the Battle Act.

We have also announced that the Fund generally will not finance credit for U. S. exporters, but will refer such proposals to the Export-Import Bank; that it normally will not consider financing working capital loans, or proposals which are essentially for refunding or refinancing. A low priority will be given to service industries, to industries of a less essential nature, and to those which do not earn or save foreign exchange.

I would like to emphasize at this point that the Fund is particularly interested in strengthening private enterprise in the less developed areas. Accordingly, it encourages applications from private borrowers, seeks to stimulate participation of private investors, and provides loan funds for the construction of the power, transport and other public facilities on which the successful functioning of private industrial and agricultural enterprise depends. It expects that private investors who seek financing will contribute a reasonable amount from their own resources to the funds required for the new investment.

Currently, the interest rate on loans for such basic facilities as roads, harbors, railroads and multipurpose dams is 3½% and maturities can be up to 40 years, depending in part on the useful life of the project. When repayment is to be made in local currency, a maintenance of value provision is required.

On loans for profit-earning projects, such as manufacturing or extractive enterprises, interest rates and maturity generally follow Export-Import Bank terms on similar projects. Current interest rates for such loans range from 5% to 5½%, depending on the current interest rate in the United States; amortization periods vary depending on the nature of the project.

Ex-Im Bank and IBRD

There seems to be a little confusion in the minds of some people as to how the operations and policies of the Development Loan Fund differ from those of the Export-Import Bank and the International Bank for Reconstruction and Development. I will try briefly to clarify the matter.

The Export-Import Bank, which like the Development Loan Fund is an agency of the United States Government, makes loans in dollars, repayable in dollars. One of the principal functions of the Export-Import Bank is the financing of American exports. Consequently, procurement under its loans has generally been from United States sources.

The Development Loan Fund makes loans in dollars but repayment may be made, where necessary, in local currencies. Procurement under DLF loans can be made from free world sources other than the United States. In the DLF we are vitally interested in American foreign trade, but our primary function is to help the economies of the less developed areas to grow in a manner that will give positive support to the foreign policies of the United States.

The International Bank for Reconstruction and Development, which is an international institution, makes loans in dollars and in other hard currencies, repayable in those currencies. On loans made to nongovernmental organizations, the IBRD requires a guarantee from the local government. The DLF, on the other hand, makes loans only in dollars, and may, where it considers such a procedure necessary or advisable, accept repayment in soft local currencies. On loans to nongovernmental organizations, the DLF does not necessarily require a government guarantee.

Importance of Trade Opportunities

In my opinion the philosophy which led to the creation of the Development Loan Fund is sound, and I am confident that the operations of the Fund will benefit not only underdeveloped countries throughout the world but also the United States. However, we all realize that loans alone, although important and essential, will not by themselves solve all the economic problems of the world and particularly the problems faced by the underdeveloped countries.

In addition to loans to help pay the cost of needed capital equipment for essential public services,

and for industries to produce essential goods, to save or produce foreign exchange and also to provide employment, the underdeveloped countries also must have the opportunity to trade more extensively with other countries. In my opinion, sufficient importance has not been attached to this extremely important factor. Economic stability and adequate standards of living will not be possible until the less developed countries not only have the capital needed for at least essential facilities, but also until they have the opportunity of selling their primary products to the world at favorable prices. I feel that an important factor in the solution of the economic problems throughout the world lies in finding ways and means of developing wider world markets, not merely for the present production of primary products and commodities, but for increased production of such products.

Technical Aid's Importance

However, perhaps even capital assistance and expanded marketing opportunities would still not adequately advance the less developed countries economically. Training in the many skills needed for the operation of a dynamic economy is also urgently required. Through its Technical Assistance programs and also through contributions to the United Nations Technical Assistance Administration, the United States is playing a major role in helping to improve skills and techniques in a wide variety of fields ranging from agriculture and industry to health and public administration. But much more is required to bring about the changes in attitudes and competence on which significant growth depends. By demonstrating its initiative, adaptability and drive in the establishment and successful operation of enterprise abroad, American industry can make a substantial contribution in this direction.

In discussing the Development Loan Fund I may have seemed to ramble far and wide. I have done so in order to provide a setting for a few major points I would like to leave with you. They are as follows:

Sums Up

(1) The peoples of the less developed areas are determined to improve their living standards. There is no longer any question of whether their economies are going to expand or whether they ought to expand. These people are on the march. The only question is how the growth is going to take place and in association with whom.

(2) In its own economic and political interest the U. S. has accepted the role, thrust inevitably upon it by its pre-eminent industrial position, of providing a significant amount of the capital which will enable the countries to grow within the framework of democratic internal institutions and in association with the free world.

(3) In the Development Loan Fund, the United States now has a going institution prepared to support sound developmental activities on businesslike terms and to stimulate and cooperate with both foreign and domestic enterprise in this endeavor.

(4) Capital assistance provided by the Development Loan Fund and through other means is only one weapon in the varied arsenal required to do the job. Not the least important of these other instruments is the technical assistance members of the American industrial community can provide when they display their varied talents and dynamic approach in the ownership and operation of enterprises on foreign soil.

(5) The resources of the Development Loan Fund are not nearly adequate for the job assigned to it. The less developed countries can absorb effectively and the Fund can lend efficiently far more than is available to it. Unless the resources of the Development Loan Fund are substantially expanded by the next Congress, the Fund will not be in a position to effectively carry out the purposes for which it was created.

To the frequently asked question—can we afford it, the most convincing reply, in my opinion, is in the form of another question—can we afford not to? Can we afford not to offer to the less developed areas of the world the means for averting regimentation of their societies and economies and orientation of their trade and thought away from the Western world and toward the Communist Bloc.

In the last analysis, the Development Loan Fund is an investment in the economic and political security of the United States. We are not now and must never be unable to afford such an investment.

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"Are We Meeting the Challenge of Savings Bank Life Insurance?"

can speak with great conviction about the many advantages that our Life Insurance Department has brought to the Rochester Savings Bank. Every business day insurance contracts are being written in the bank, some of which will not mature until the year 2000 or later. During this period we will have constant contact with new customers. We will receive premiums and will be trustees of an ever increasing reserve of savings. A Straight Life Insurance Policy issued today on a new born child will mature as an endowment at the ripe old age of 100 in the year 2058. Extreme? Yes, but it illustrates the point. Life insurance creates long term associations and develops systematic savings. I don't believe we can escape the conclusion that the Life Insurance Departments of our savings banks bring many, many valuable collateral benefits.

Banks that may be considering a Life Insurance Department might do well to prod their thinking and open the Department now before the job of catching up becomes too great. The new Life Insurance Bank has the advantage of technical assistance through the Fund staff of trained, capable, experienced personnel. The Savings Bank Life Insurance Council, through its Executive Secretary and staff, is available for promotional ideas, advertising material, merchandising, and unlimited guidance and advice. The Council is continually evaluating and refining sales techniques which have proven to be effective. Yes, conditions are favorable and the door is wide open to those banks which have not yet established Life Insurance Departments. In areas which are less densely populated some banks may wish to start their life insurance programs as Agency Banks. This, at least, is a major step in the right direction. It requires no capital investment and very little expense on the part of the savings bank.

With Savings Bank Life Insurance opportunities now better than ever, is it wise to delay inaugurating a Department or an Agency arrangement? During a period of considerable newspaper publicity in a particular city, one bank which did not issue life insurance found that it was receiving many inquiries concerning Savings Bank Life Insurance. This particular bank referred these persons to other savings banks where life insurance was sold. They soon learned that in these referrals they were not only losing life insurance customers but potential customers of other savings bank services as well. Need I add that this bank wasted no time in establishing a Life Insurance Department of its own.

Any long term plan naturally must have a starting point. Making the start is half the battle. When we open a Life Insurance Department we shouldn't lose sight of the broad potential picture or permit ourselves to become discouraged during the early years when the Department is of modest size. If such had been the case in the early days of the savings banks, your bank and mine would never have been started. Deposits in savings banks were mighty small in those early days.

A Life Insurance Department to succeed must have the unqualified support from the top. If top management is not enthusiastic the Life Insurance Department is doomed to failure. Care must be taken to select a sound insurance management team, together with individuals who are promotion minded, with plenty of drive, lots of enthusiasm, and who like to meet the public. They must be willing to study, to perfect sales techniques and to teach others.

Here in New York State we have almost a fifth of a century of experience in the life insurance field. No longer are there such questions as—Will it work? Is it safe? Can it be done? You and I have had the opportunity of studying this at first hand Savings Bank Life Insurance has proven itself.

If your Investment Officer, in whom you had much confidence, were to come to you and say, "Here is an investment which I have every reason to believe will grow each and every year for the next 50 years. It will pay you dividends in increasing amounts as it grows. The cost to you is nominal and your original capital will be returned to you with interest." Would you buy that investment? You bet you would! Well, that is Savings Bank Life Insurance.

I have mentioned before, and am obviously concerned about the 40% of the banks in this State which have no life insurance activities at all. We as a system cannot possibly gain the full potential of this service unless we move forward on a united front. People outside of our own business (some of them legislators) ask the question: why don't savings banks avail themselves more fully of the opportunity in Savings Bank Life Insurance?

As we stand on the eve of the 20th Anniversary of Savings Bank Life Insurance in our State, we also are approaching another legislative session in Albany at which we will be asking for additional powers for savings banks. In the eyes of the Legislature are we not in a better position to ask for more and broader powers if we as a system have made full use of those powers we now have?

By reason of the increasingly broad powers which it has given during recent years, the Legislature has, I believe, demonstrated its real interest in Savings Bank Life Insurance. If we do not capitalize on this opportunity to the fullest extent there are other institutions in the thrift field that are anxious for this privilege, and it might well be that the Legislature of the State of New York might give to others the opportunity which we as a system are not now fully developing. This we will not have done until all of the savings banks in New York State participate in life insurance activities.

Public Utility Securities

By OWEN ELY

Atlantic City Electric Company

Atlantic City Electric was one of the pioneer utilities, the first plant having been built in Atlantic City in 1886. The company now serves the southern one-third of the State of New Jersey. It became an independent company in 1948, having previously been a subsidiary of American Electric Power.

The company is strategically located in relation to the cities of New York, Philadelphia, Baltimore and Washington, and one-third of the nation's population is within 300 hundred miles. The area served is about 60 miles in length and 30 in width. The company's business is well diversified: The coastal resort area contributes 29% of revenues; the Delaware River Valley is becoming increasingly industrialized; and in between is one of the richest farming areas in the country. The 7,700 farm customers use an average of 6,922 kwh. annually, far above the national farm average; an increasing number of farmers use electricity for rapid cooling of farm products, operation of refrigeration rooms, automatic feeders, barn cleaners, egg graders, freezers, etc.

The company is included in the select list of "rapid growth" utilities. In the period 1951-57 the area has outgrown both the state and the nation—gaining 24% in population as compared to 11% for the U. S. and 13% for the State of New Jersey. The company's revenues have grown from $12 million in 1946 to over $34 million currently. Share earnings have increased from 89c in 1947 to $1.80 last year and the dividend has increased in eight of the past ten years.

The construction program is geared to continued rapid growth. A new 80,000 kw generating unit is under construction at Deepwater and by 1962 the first unit of a new modern generating station at Beesley's Point, with capacity of 125,000 kw, is expected to be in operation. Construction expenditures this year are about $16 million and are estimated at about $13 million in 1959; over the five years following (1960-64) an annual average of about $20 million is forecast. The company does not expect to do any financing this year, and bank loans will probably suffice in 1960.

The Prudential Life Insurance Company is moving part of their home office in Newark into southern New Jersey, and is also constructing another large building, at a total cost of over $4 million. (It is expected that 1,500 persons will be employed in the two new offices. American Home Products is also building a new plant to employ 850. Another interesting development is the permanent location of a Government facility on the former Naval Air Station property. The Airways Modernization Board has established the National Aviation Facilities Experimental Center, which now has a payroll in excess of $6 million a year, and should expand considerably beyond this.

As the annual report states, "This area offers moderate climate—abundant water supply, deep water transportation, modern highways and airline facilities, proximity to metropolitan markets, ample and adaptable labor supply." George M. Hansen, Manager of Industrial Investments of Keystone Custodian Funds, has predicted that southern New Jersey will be the Number One growth area of the United States by 1960.

The area is well adapted to electric heating and the company has 160 heat pumps on its line although active promotion awaits further development of this appliance. At present the company is more interested in radiant heating (installed in walls and ceiling) and 1,500 homes are using this method, with a 1¾c special rate per kwh. With 4,500-degree days per annum, a residence with 10,000 square feet could heat by this method for about $178 a year, it is estimated; with 16,000 square feet the cost would be $285. This equipment costs about the same to install as gas, and while operating costs are somewhat higher it is such a clean and convenient method that the company has not received any complaints.

The company's efficiency is reflected in the slow rate of increase in the number of employees, less than 3% since 1947, compared with an average annual gain of 10% in electric output. Fuel consumption is now only 0.89 pound of coal per kwh. as compared with 1.15 in 1947, a decrease of 23%.

Capitalization ratios at the end of 1958 are estimated at 52% debt, 18% preferred stock, and 30% common stock equity (or 31% including tax refund). The company's policy is to maintain the equity ratio around 30%, which is considered ample in view of the high residential proportion of reveneus (nearly one-half) and the well diversified character of industrial operations. No equity financing is anticipated before 1962.

As indicated above share earnings have grown steadily in the past decade (except in 1951 when they remained the same). Earnings last year were $1.80, and are estimated at about $1.90 for calendar 1958, despite a severe storm last March. For next year, about $2 is projected, before any interest credit on construction. The storm reserve, which amounted to $175,000 at the end of 1957, has proved inadequate and it is the company's intention to reestablish it at $300,000 and build it up to $500,000.

The stock has been selling recently around 36½ and the current dividend rate is $1.40, yielding 3.8%. The price earnings ratio is about 20.

F. I. du Pont Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Orie R. Davis Jr. has been added to the staff of Francis I. du Pont & Co., Statler Center.

Oscar Werner Adds

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif. — Nina J. Inman has been added to the staff of Oscar G. Werner & Co., 3870 East Colorado Street.

Now With E. F. Hutton

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Francis J. Parke, Jr. has become connected with E. F. Hutton & Company, 623 South Spring Street.

With Shearson, Hammill

Irving Helpern is now associated with Shearson, Hammill & Co. in the Empire State Building, New York City office, as a registered representative.

Continued from first page

The Economic Outlook

1958. This, with other major economic indicators, points to a marked rise in national output and income for the balance of the year.

Personal income rose again in August to an annual rate of $355.5 billion. This is $3.5 billion above the peak of August last year.

The extremely high level of personal income means to me that customers have both the confidence to think about buying wares and the money to pay for them. Good products, appealing advertisements, attractive display and salesmanship can do the best.

The over-all pickup in business is clear evidence of wise government leadership and of the latent strength of confident private enterprise.

Our economic system continues to prove to the world—including envious Communism—that it is the most powerful instrument devised by man for widespread well-being. We have every right to boast of maintaining the world's highest standard of living. We have opportunities unlimited to generate even wider distribution of material blessings, if we continue to promote economic growth.

For growth is the key to future prosperity—growth to meet the needs of a 175 million population, increasing by three million a year—growth to take full advantage of research that is creating new products, new demands and new jobs—growth that bolsters freedom and strengthens peace.

Let me repeat—growth is the key to future prosperity.

Administration's Contribution

I propose to point with pride to some of the many things which the Administration is doing to encourage such economic growth and to meet modern demands.

I also intend to discuss with blunt frankness some of the things which could stunt growth and raise havoc with the expansion of business and employment.

Before we sound the siren about dangers ahead, however, you may wish to have me give you a brief run-down on a few Commerce Department programs designed to encourage business and employment and to meet the most urgent needs of a growing economy.

Just as alert private management is getting rid of obsolete equipment and is wisely providing efficient, modern plant for modern demands, this Administration is making sound public investments in the modernization of the nation's transportation facilities and in other fields.

The record shows that—for one reason or another—we found the national highway system inadequate for the annual increase in the number of autos which was causing traffic jams and accidents. Air safety was endangered by the increase in the number and speed of modern planes, including jets. Weather services were unable to provide sufficient warnings of hurricanes and tornadoes and were unequal to the special needs of high altitude flight. Shipping was in the doldrums. The St. Lawrence Seaway was nothing but a dream.

In other words, a great potential generator of more business and more jobs was badly neglected, when its power was urgently needed to keep our economy growing.

The President determined to end this stagnation and to open up new job opportunities for our fast-growing population. Congress supported his proposals. As a result, we in the Commerce Department are now busily engaged in several all-time record programs of improvement and expansion.

Their impact already is one of the factors in current business revival—with even greater forward economic thrust coming in the years ahead.

First, a word about highways.

We are building the great national highway system, which President Eisenhower initiated in 1956—the greatest public works project in all history. This will require the expenditure of raising $39 billion in Federal funds over a 13-year period.

The vast 41,000 mile Interstate and Defense Highway System, which had been spelled out in legislation in 1944 and had been gathering dust ever since, was taken off the shelf by the President and recommended to the Congress, which adopted the President's suggestions. With its multi-lane, nonstop, planned access roads, it is a really great project and currently it is right on schedule. The Bureau of Public Roads reports that to date contracts for 5,598 miles have been awarded costing $2,910,000,000.

All of this means business and jobs in construction right now. It also means far more economic opportunities in the future, as millions of potential customers crisscross the entire United States.

Next, a word about aviation.

The other day, I presented the first type certificate of flying fitness to the builders of a commercial jet, the Boeing 707. Other passenger and freight jets will be ready within a matter of weeks and thus there is introduced a brand new era in air transportation with fascinating prospects ahead.

But the rapid increase in number and speed of modern aircraft has created problems, including the safety problem. Differences of opinion in Government and industry long existed as to what should be done. We found no comprehensive plan ready.

Now, after thorough study, the Civil Aeronautics Administration is embarked on a series of Federal airways improvements to meet modern conditions. We are putting into operation new type radar, automatic traffic control equipment and other navigational aids to promote air safety in this jet age—the greatest air safety program yet.

We are now investing four times as many dollars as when I first became Secretary of Commerce. Even greater improvements in flight safety and use are in the cards, as both civil and military flight are merged under the new Federal Aviation Agency, which President Eisenhower proposed and the recent Congress passed.

Now a word about weather forecasting.

There is no need to tell retailers of the effect of weather on business. In order to improve weather predictions, including forecasts of hurricanes, tornadoes, and other storms, our Weather Bureau is going full speed ahead on its greatest modernization program.

In place of outmoded equipment, we are substituting high speed computers, modern techniques for longer-range forecasting, radar to locate storms, large-scale hurricane research and other modern tools. As modern planes fly much higher, new devices are being built for high altitude forecasting.

Through better understanding of nature on the rampage and with better weather services, we are increasing our ability to prevent loss of property and life. With knowledge learned from instruments sent out on satellites, we are opening up a new era in meteorology and hope to do an even better forecasting job in the near future.

A word about shipping.

When this Administration came in, the shipbuilding industry was in the doldrums. Cooperation between government and industry brought about plans for both new construction and replacements.

Today, the greatest peacetime shipbuilding program is sailing along. Under construction or conversion are around 100 ships of 1,000 gross tons or more. This spells continuing business and employment.

In addition, in conjunction with the Atomic Energy Commission, our Maritime Administration is building the "N. S. Savannah," the world's first nuclear-powered passenger-cargo ship. It is the forerunner of peacetime atomic sea transport which in a growing America will completely revolutionize ocean commerce.

A word about the Seaway and trade.

Closely connected with the shipping industry and opening vast new opportunities in two-way trade for other industries and agriculture is the construction of the St. Lawrence Seaway.

It had been talked about for over a quarter of a century. But nothing was done to build it. Early in his Administration, the President asked me to head a committee to study the value of such an undertaking. We recommended it; the President proposed it; the Congress passed the legislation.

In cooperation with our good neighbor, Canada, the project is moving forward steadily, with one big link around Massena, N. Y., already completed. This summer the President placed operation of the Seaway under the direction of the Commerce Department.

Here then is another fine practical example of stimulating economic growth. As the great farm and industrial heartland of our nation is opened to ocean commerce, tremendous trade will create new business and new jobs. And as the Central States prosper, they will become better customers for the rest of the country.

In addition to the new avenues of trade opening in the Seaway, one of the most powerful stimulants to more trade was the passage by the Congress of President Eisenhower's Reciprocal Trade Program. It protects the jobs of the more than four-and-a-half million American workers, whose livelihood depends on world trade. It also offers new products for our consumers, new foreign customers for our farms and factories, new opportunities for American economic growth and new strength for national security.

Such in brief is a sound program of progress.

All of these Administration programs to encourage economic growth are good. But they are not enough. Private enterprise also must receive other encouragement from government. Especially must government set an example in fiscal responsibility.

If our private enterprise system is to continue to supply 175 million Americans with a more abundant life and to maintain healthy growth, it must not be held back by government-imposed roadblocks.

Unless we give private enterprise a chance to do its job, I warn that we are heading into real trouble.

Leave Critical Period Alone

Here we face one of the most critical periods in our economic history. Just as our economy is getting up speed again and just when we are holding our lead in the race with the Communist economic drive, there are those who by their actions would slow it down.

And I shall cite chapter and verse on what they are doing.

These are days when the fur flies in debate on Uncle Sam's role in the economy. Some propose socialist witchcraft to run the nation's economy. Others propose spendthrift irresponsibility, with government burdening taxpayers by offering something for nothing for every outstretched palm. Such promises may please **some** people. But to keep such reckless promises would hurt **all** people.

In contrast, I believe the role of government should be that of maintaining a climate favorable to release of private initiative and the steady increase of private jobs. In that course the American people reached the highest level of prosperity in all history. This Administration, by encouraging current revival and building for future growth needs, is attempting to steer this course.

Where do we go from here?

Let's not lose our way to continuing recovery by listening to false guides, by taking a wrong detour and maybe by ending in a smash-up.

The bold refusal of President Eisenhower to give way to panic panaceas and the prompt remedies used by business to cure itself have contributed greatly in stopping the decline. Confidence has regained its health.

As I remarked earlier, the outlook for continuing recovery is bright—brighter than at any time this year.

But let's not gamble with confidence.

Business, government and people all should try to promote steady progress and not do things that might encourage inflation and might retard economic revival.

Yet, there are those today who would weaken confidence and hamper recovery by advocating "the sky's-the-limit" government spending.

They brought pressure on the last Congress. They will keep up their pressure on the next.

In fairness, let me say that the last Congress did much on a bipartisan basis to carry out President Eisenhower's proposals for building a stronger and better America. It enacted his program to strengthen our defense system; to extend reciprocal trade agreements; to maintain mutual security; to spread emergency unemployment benefits; to bolster civil rights and other vital programs.

Credit belongs to members of **both** parties in backing up the President's sound leadership.

Too Much Spending

But when it came to the money faucet, Congress completely failed in tightening the tap. It provided necessary funds and then rushed ahead on a spending spree. This pell-mell stampede over the prostrate taxpayer will be reflected in next year's $12 billion deficit with more deficits to come unless the people call a halt.

As Al Smith used to say: "Let's look at the record."

In its last session, the Congress voted appropriations totaling $5,000,000,000 in excess of Administration recommendations.

In addition, unless Presidential vetoes had been available, appropriation measures passed by one or both Houses would have added another $5,500,000,000 to the total, thus increasing Administration recommendations by $10,500,000,000.

The 1959 budget of the President contained 16 economy proposals which if enacted would have produced future annual budget savings of $3.5 billion. Congress did not act at all on eight of these proposals; acted only partially on four; and acted to spend more rather than save on four; with a net reduction of only half a billion dollars instead of the savings of $3.5 billion which the President's proposals would have made available.

The total budgetary cost involved in only eight major proposals of many others sponsored by members of the majority party in the last Congress is estimated at more than $180 billion over the next five years. Think of it; had these passed we would now face an additional load of $180 billion.

All of this should be a warning of the way the wind is blowing.

Lest some may hint that I am unduly partisan in my alarm, let me quote what two leaders of the party in control of Congress had to say about its spending record.

Representative Clarence Cannon said, on last Aug. 23:

"Congress is appropriating more money than was ever before appropriated by any Congress since the Administration of George Washington . . . for purposes which have no relation to national defense. . . . We are on the high road to disaster and catastrophe—to printing press money and debased national credit."

Senator Harry Byrd said in a July 27 interview:

"This has been one of the most recklessly spending Congresses I have seen in my 35 years in Washington. It has piled spending on top of what now seems to be a rising economy. It has planted the seeds of what could be a terrible inflation."

That's expert judgment by two Congressional leaders on those members of Congress who went on this spending spree.

What do you think will happen to confidence, business recovery and expanding employment, if such extravagance continues into next year and thereafter?

The advocates of reckless spending may deceive some people into believing that the road to boom is paved with government deficits and debts. But history proves otherwise.

Spendthrift government undermines business confidence. An eventual resulting increase in taxes would weaken business incentive, cut down take-home pay and dry up customer purchasing power.

What do you think would happen if, next year and in the years following, the government should take from the private economy more than that system can afford? As sure as night follows day, the drain would leave a lack of private funds for investing in new job-making plant and equipment. A weak economy would be less able to maintain economic growth, expanding employment and national security.

If that tragic day ever comes, we may **really** get that "hair-curling depression" George Humphrey once warned of.

So I say to businessmen, continue to do everything in your business and within your power to keep the economy rolling along, as it is doing today. But never lose sight of the fact that there will be real danger ahead if government travels the spendthrift road.

If you believe in private enterprise and sound thrift in government fiscal affairs, then stand up and fight for your rights and fight for your principles.

For only by increased action by the responsible members of society can unnecessary government spending be held in check and future prosperity vigorously advanced.

In conclusion, let us frankly recognize that our danger-haunted generation confronts many problems in the economic field and many perils in the realm of military affairs and statesmanship. The sound of gunfire has been heard in every decade of this grim 20th century. Men with lies on their lips and hate in their hearts are trying to stir up trouble for America everywhere.

But hope surmounts every hazard.

This same century of anxiety also has given Americans the most

prosperous times in all history. It has provided scientific marvels which are bringing untold blessings to mankind.

Whatever be in store for us, however, let us face tomorrow—wise in action—stout in heart—strong in faith that "the best is yet to be."

Ass'n of Exch. Firms Receives Slate

BOSTON, Mass. — Edward Rotan, senior partner of Rotan, Mosle & Co., Houston, Texas, has been nominated President of the Association of Stock Exchange Firms, it was announced at the Fall meeting of the Board of Governors of the Association of Stock Exchange Firms. James A. Hetherington, II, Goodbody & Co., New York, and John D. Burge, Ball, Burge & Kraus, Cleveland, have been nominated as Vice-Presidents and Edward N. Carpenter, Jesup & Lamont, New York, as Treasurer. Elections will take place at the annual meeting in New York on Nov. 19.

Edward Rotan

The Association has also announced the following nominations for election to the Board at the annual meeting of members: John D. Baker, Jr., Reynolds & Co., New York; John D. Burge, Ball, Burge & Kraus, Cleveland; Alfred Rhett du Pont, Francis I. du Pont & Co., New York; David Scott Foster, Pershing & Co., New York; James A. Hetherington, II, Goodbody & Co., New York; Henry Hornblower, II, Hornblower & Weeks, Boston; Michael W. McCarthy, Merrill Lynch, Pierce, Fenner & Smith, New York; McKee Nunnally, Courts & Co., Atlanta; Albert C. Purkiss, Walston & Co., Inc., New York; Jay N. Whipple, Bacon, Whipple & Co., Chicago; E. Warren Willard, Boettcher and Company, Denver and Coleman Wortham, Jr., Davenport & Co., Richmond.

Nominations for membership on the committee to present a slate of governors for 1959 are as follows:

T. Jerrold Bryce, Clark, Dodge & Co., New York; John E. Blunt, 3rd, Blunt Ellis & Simmons, Chicago; James J. Lee, W. E. Hutton & Co., New York; Leonard D. Newborg, Hallgarten & Co., New York and Joseph M. Scribner, Singer, Deane & Scribner, Pittsburgh.

Lloyd W. Mason, Paine, Webber, Jackson & Curtis, New York, was Chairman of the Nominating Committee.

Jacobus Kruyne Joins Loewi & Co., Inc.

MILWAUKEE, Wis. — Loewi & Co. Incorporated, 225 East Mason Street, members of the New York Stock Exchange, has announced that Jacobus Kruyne has joined their organization. Mr. Kruyne was formerly President of the Home Savings Bank, Milwaukee and previous to that was Vice-President of the Marshall & Ilsley Bank, also of Milwaukee.

Henri F. Berthoud

Henri F. Berthoud, limited partner in Dominick & Dominick, passed away on Sept. 29.

Charles A. Collins

Charles A. Collins, former president of the Boston Stock Exchange, passed away Sept. 27 at the age of 85 following a long illness.

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Standing Together as Bankers with The Entire Banking Community

produces what all of us want—a higher standard of living and a fuller life.

And need I remind anyone that savings banks are the best place for people's savings? These savings are truly anti-inflationary. They are invested in the economy, and thus create an increased flow of consumer goods and services. They finance progress, and make more jobs available for more people.

What, then, must we do to bring thrift back into public favor?

Suggest Thrift Campaign

We must *merchandise*—aggressively and intelligently. There's nothing wrong with the hard sell. Indeed, I hear it's returning to favor. Our competitors are selling hard.

If we merchandise, we not only fulfill our traditional role of encouraging thrift. We also compete effectively.

Once upon a time—within the memory of many here today—we savings bankers had no real competition. If people wanted to save, they came to us. But this is 1958.

Today, our market is not just those people who want to save. It is every man, woman and child who should save, too, many of whom don't, today.

Thus we're dealing with a mass market. And in a mass market, competition is rugged and relentless. And it should be good for us.

Let us, then, *sell*. Let us turn our eyes toward the public we serve. Let us concentrate on service to them—service on an increasing scale, to an increasing number of people in our growing State of New York.

Asks Tax Issue Be Resolved

If we have problems within the industry—if tax equality, for example, is one of them—let us solve those problems within the industry.

Let us just say a few words about this tax equality question. It was the main point of the attack against us at Chicago. What its proponents are doing is demanding a reduction of the so-called tax-free debt reserve now allowed the mutual savings banks.

These people persistently misunderstand the nature of this provision and refer to it as a "tax-free 12% reserve." The present tax law, as you know, in respect to mutual savings banks, states in effect that to the extent that the accumulated capital of a mutual savings bank does not equal 12% of deposits, it may be supplemented by deductible additions to bad debt reserves until the sum of reserves and capital equals 12% of deposits.

Because of the fundamental differences in the nature of commercial banks and mutual savings banks, it is fruitless to talk about uniformity of reserve provisions for the two types of institutions. The opposition refuses to recognize that mutual savings banks have the need to accumulate surplus, and cannot be required to reduce their surplus to the level of commercial bank bad debt reserve.

Let me put it plainly—

Prefers Increasing All Bad Debt Reserves

We savings bankers believe that bad debt reserves should be increased for all types of commercial banking institutions rather than tearing down the reserve now permitted to mutual savings banks.

At any rate, let us solve problems like this within the banking industry. They *can* be solved, for we know from recent experience that we savings bankers are held in high respect and regard by our friends in the commercial banking field in New York State, and elsewhere in the country.

In the solution of our problems we must stand together—as savings bankers, within this Association. I feel that we made good and responsible progress in recent weeks, working with our fellow bankers cross the country, within the American Bankers Association.

Let me say that this is not enough. We cannot rest, we cannot draw comfort from any victory in Chicago. Your State Association does not intend to leave it at that.

Speaking as your president, let me say that this Association intends to take every step it can to see that this job is followed up and followed through, pursuant to the Association's constitution and by-laws, which provide:

"The Association . . . shall have for its objects the general welfare of the savings banks in the state, the securing of the proper consideration of all legislative actions affecting savings banks and the discussion of all subjects relating thereto."

I believe you would consider me remiss in my duties if I did not uphold your Association's constitution by seeing that we do just that.

And we must stand together as bankers, with all our fellow members of the banking community.

Five-Fold Program

In closing, let me leave a few thoughts with you.

One: We have launched an effective public relations program. We must continue it and intensify it. We must carry our story to all the people of New York State by every feasible means.

Two: We must make sure that our friends in banking throughout the country *get all the facts* and figures on savings bank contributions and service to the people, to industry and business, and to government on the national, state and community levels.

Three: Only in a community with *both* commercial and mutual savings bank facilities can there be assurance that *all* the people—individuals, home owners, consumers and producers—will have equal access to all types of credit, short-term and long-term, essential to their needs.

Four: A continued increase in the volume of savings is essential to reduce the danger of inflation and to finance the growing capital needs of the state and the nation. Industrial expansion, consumer lending and the construction of homes must all be financed by individual savings. This requires adequate banking facilities, and they are not at present available. The current rate of savings is insufficient to finance the needs of the country.

Five: Let us spare no effort toward bringing about early action to modernize the banking law. The people of New York State have waited a long time for this. The studies have been made. The facts are known. It behooves every element of the banking community to help to wipe out the roadblocks and get this action now. We hope that the savings banks will not be alone in recognizing and answering this need.

And let us stand together in behalf of the greater good—which means for savings bankers, as it has for 139 years, the good of the people we serve.

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The State of Trade and Industry

certain amount of hedge buying in the second quarter of 1959 as the steel companies start negotiating with steel labor for a new contract. The possibility of labor trouble usually persuades steel users to fatten their inventories in the weeks just prior to the contract expiration date, "The Iron Age" concludes.

Strikes and parts shortages kept 1959 model production from rising the past week, "Ward's Automotive Reports," stated on Friday last.

A total of 42,275 automobiles were planned compared to 42,599 the week before and 21,975 in the corresponding week a year ago.

General Motors and the United Auto Workers came to terms on Thursday a week ago, but the nation-wide General Motors strike that began earlier that day forced the corporation to lop 15,000 new cars from that week's schedule, or about 40% of its original program.

Plagued by parts shortages and a Chicago assembly plant strike, Ford Motor Co. operations were impaired until Thursday of last week, when four Ford Division assembly plants recalled 11,000 hourly-rated workers to their jobs. Additional Ford factories were preparing to get under way last Friday and Saturday. Still waiting to begin 1959 model output are Mercury and Lincoln, only producers in the industry whose new model operations have not started. Lincoln is expected to get under way this week and Mercury the following week.

Chrysler Corp., despite its mid-week contract settlement with the United Auto Workers, was not able to get normal assembly in hand. Scattered walkouts and the need for key parts, including bodies, kept Chrysler programming near the previous week's level.

By adding Saturday to its work load, American Motors will get in a four-day week, "Ward's" indicated. American Motors was stopped on Tuesday and Wednesday of last week by a body shortage. Studebaker got 1959 model output going the past Tuesday, "Ward's" stated.

The statistical publication said car production totaled only 131,952 units in September or one-third fewer than the 195,500 cars scheduled at the outset of the month.

Steel Output Set This Week to Attain a 46-Week High at 71.1% of Ingot Capacity

Steel production will reach 25,000,000 ingot tons in the fourth quarter, easily making it the best quarter of the year, "Steel" magazine forecast on Monday of the current week.

The prediction by the metalworking magazine is based on the rising tide of incoming orders at steel mills. The outlook is for further gradual improvement in the weeks immediately ahead.

As steelmakers head down the homestretch, they are spurring production to new 1958 highs. They boosted their operations two points last week to 68.5% of capacity, the highest level of the year. Output was about 1,850,000 net tons of steel, largest since the week ended Nov. 24, 1957.

Steelmaking districts registering gains were Detroit, Pittsburgh, Cleveland, St. Louis and Wheeling. District rates follow: St. Louis at 91, up 12.5 points; Detroit at 78, up 8.5 points; Chicago at 77.5, down 1 point; Cincinnati at 76, down 0.5 points; Wheeling at 75, up 1.5 points; Western district at 75, no change; Cleveland at 70.5, up 2.5 points; Eastern district at 66, no change; Pittsburgh at 63.5, up 2.5 points; Buffalo at 58.5, no change; Youngstown at 54, no change and Birmingham at 54, without change.

September's output of 7,560,000 tons was the largest of any month this year. During the quarter just ended, steel mills operated at 60% of capacity and produced 21,000,000 tons. In each of the first two quarters, the ingot rate averaged 54% and production was slightly under 19,000,000 tons. To date, 59,000,000 tons have been produced.

Despite the slowness of automotive ordering there is a good demand for sheets. Appliance manufacturers, furniture makers and many lesser consumers are taking substantial tonnages, declares "Steel." Delivery of cold-rolled sheets takes from five to six weeks now. Demand for galvanized products is so great that some producers have their salesmen on quotas. Delivery promises of six to eight weeks are not unusual.

October will be a banner month for tin plate producers. They have been deluged with orders since announcing that prices would go up Nov. 1. Canmakers want their November tonnages delivered immediately, but it is easier said than done. Some of the mills are running short of processed steel, leadtime is about 45 days.

"Steel's" quarterly survey of buyers of components shows that eight out of ten will maintain or increase inventories in the next three months. Respondents report a 30-to-60-day inventory of castings, screw machine parts, fasteners, electrical equipment and motors.

The survey shows that inventory cutting is continuing in machined components, electrical equipment, and motors. But in those categories, as in others, the large majority of buyers have already completed inventory cutbacks.

The magazine's composite on the prime grade of steelmaking scrap holds unchanged at $43 a gross ton for the second straight week. Rising steelmaking operations brighten demand prospects.

The American Iron and Steel Institute announced that the operating rate of steel companies will average *119.4% of steel capacity for the week beginning Oct. 6, 1958, equivalent to 1,918,000 tons of ingot and steel castings (based on average weekly production for 1947-49) as compared with an actual rate of *118.3% of capacity, and 1,901,000 tons a week ago.

Output for the week beginning Oct. 6, 1958 is equal to about 71.1% of the utilization of the Jan. 1, 1958 annual capacity of 140,742,570 net tons compared with actual production of 70.4% the week before.

For the like week a month ago the rate was *110.8% and pre-

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The State of Trade and Industry

duction 1,780,000 tons. A year ago, the actual weekly production was placed at 2,105,000 tons, or 131.0%.

*Index of production is based on average weekly production for 1947-1949.

Electric Output Reduced Somewhat Last Week From High Level of Preceding Period

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 4, 1958 was estimated at 12,111,000,000 kwh., according to the Edison Electric Institute. Output registered losses the past week after trending upward the week before.

For the week ended Oct. 4, 1958 output decreased by 231,000,000 kwh. under that of the previous week but showed an increase of 547,000,000 kwh. above that of the comparable 1957 week and 769,000,000 kwh. above that of the week ended Oct. 6, 1956.

Car Loadings Point Fractionally Higher in Week Ended Sept. 27

Loadings of revenue freight in the week ended Sept. 27, 1958 were 5,647 cars, or 0.8% above the preceding week.

Loadings for the week ended Sept. 27, 1958 totaled 672,924 cars, a decrease of 66,342 cars, or 9% below the corresponding 1957 week, and a decrease of 158,724 cars, or 19.1% below the corresponding week in 1956.

Automotive Output Last Week Curtailed by Strikes And Parts Shortages

Passenger car production for the week ended Oct. 3, 1958, according to "Ward's Automotive Reports," suffered a setback as a result of strikes and parts shortages, which kept 1959 model production from rising. General Motors was forced by the strike to cut 15,000 new cars from the week's schedule or about 40% of its original program.

Last week's car output totaled 42,275 units and compared with 42,599 (revised) in the previous week. The past week's production total of cars and trucks amounted to 56,093 units, or a decrease of 820 units below that of the previous week's output, states "Ward's."

Last week's car output fell below that of the previous week by 324 units, while truck output declined by 496 vehicles during the week. In the corresponding week last year 21,975 cars and 11,688 trucks were assembled.

Last week the agency reported there were 13,818 trucks made in the United States. This compared with 14,314 in the previous week and 11,688 a year ago.

Lumber Shipments Scored a Rise of 7.8% Above Output in the Week Ended Sept. 27, 1958

Lumber shipments of 472 reporting mills in the week ended Sept. 27, 1958 were 7.8% above production, according to the "National Lumber Trade Barometer." In the same period new orders were 1.4% above production. Unfilled orders amounted to 43% of stocks. Production was 1.4% above; shipments 2.0% above and new orders were 4.5% above the previous week and 5.8% above the like week in 1957.

Business Failures Rise to Highest Level in 14-Week Period the Past Week

Commercial and industrial failures climbed to 301 in the week ended Oct. 2 from 268 in the preceding week, Dun & Bradstreet, Inc., reported. At the highest level in 14 weeks, casualties exceeded considerably the 261 in the corresponding week last year and the 253 in 1956. Eight per cent more businesses failed than in the comparable pre-war week of 1939 when 279 occurred.

Liabilities of $5,000 or more were involved in 245 of the week's casualties as against 234 in the previous week and 217 a year ago. Small failures with liabilities under $5,000 increased to 56 from 34 last week and 44 in 1957. Twenty of the failing concerns had liabilities in excess of $100,000, as against 34 in the preceding week.

Wholesale Food Price Index Touched a New 1958 Low Last Week

The wholesale food price index, compiled by Dun & Bradstreet, Inc., fell noticeably the past week to $6.30 on Sept. 30, a new low for 1958. The previous low was on Sept. 2 when the index stood at $6.39. The current level was 2.9% below the $6.49 of the prior week, but exceeded the $6.12 of a year ago by 2.9%.

Commodities quoted higher in wholesale cost last week were flour, wheat, oats, barley, hams, sugar, cottonseed oil and rice. Lower in price were rye, bellies, cheese, cocoa, eggs and hogs.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Edged Higher Last Week

Higher prices on some grains, butter, hides, lard and tin helped lift the general commodity price level somewhat a week ago. The Dun & Bradstreet daily whole commodity price index moved up to 277.91 on Sept. 29 from 277.05 a week earlier. On the comparable date a year ago the index stood at 282.10.

Reports that heavy rain recently damaged many crops in Europe and that exports to those countries would probably rise, resulted in a moderate rise in wheat prices. Trading as a result expanded slightly. Following the trend in wheat and light arrivals in some markets, rye prices rose fractionally and trading matched that of the prior week.

Corn prices eased abit during the week as supplies expanded. Corn trading was sluggish at the end of the week. Influenced by higher oil and meal prices, soybean prices climbed moderately, but buying was limited. Oats prices remained close to those of a week earlier.

There was an appreciable dip in flour trading during the week, causing prices to fall moderately, despite growing concern over the Far East situation. Exporters reported some inquiries for flour from the Netherlands, but over-all exports lagged.

Bad weather in growing areas stimulated the buying of rice and resulted in substantially higher prices. Although coffee transactions increased noticeably during the week, prices remained unchanged from the preceding week. In the domestic sugar market prices moved up to 1958 highs as trading expanded. Cocoa wholesalers reported a considerable decline in prices, but purchases were close to those of a week earlier.

Larger than expected supplies in Chicago held hog prices noticeably below those of the preceding week, and as a consequence, trading slackened. Cattle receipts fell from the prior week but were moderately higher than a year ago. The buying of steers lagged and prices slipped somewhat. Interest in lambs climbed appreciably. Prices were slightly above those of a week earlier. Although lamb receipts matched those of the prior week, they were up appreciably from the comparable period last year. There was a moderate rise in lard prices as trading expanded.

Although cotton prices moved up at the beginning of the week, they showed little change from those of the previous period. Trading was stimulated by reports of unfavorable weather in parts of the Cotton Belt, lower than expected ginnings and developments in the Far East. For the season through last Tuesday, cotton exports were estimated at 517,000 bales compared with 599,000 in the similar period last season, the Service Bureau of the New York Cotton Exchange noted.

Trade Volume the Past Week Dipped Slightly Below The Level of a Year Ago

Rainy, unpleasant weather in many areas discouraged consumer buying last week and total retail sales dipped slightly below those of a year ago. Year-to-year declines in most apparel lines and appliances offset gains in furniture and food products. The buying of new passenger cars was sluggish and noticeable decreases from last year continued to prevail, spot checks showed.

The total dollar volume of retail trade in the period ended on Wednesday of the past week was from 3% below to 1% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1957 levels by the following percentages: East South Central States 0 to +4%; West North Central and Mountain —1 to +3; New England and East North Central —2 to +2; Middle Atlantic —3 to +1; South Atlantic —4 to 0; West South Central and Pacific Coast States —5 to —1%.

Despite slight gains in the buying of dresses and some sportswear, over-all volume in women's apparel sagged during the week and fell slightly below a year ago. The most noticeable declines occurred in coats, suits and fashion accessories. Although interest in suits and topcoats matched that of a week earlier, sales of furnishings slackened holding total volume in men's apparel below that of both the prior week and last year. Although there were numerous sales promotions in some areas, the call for children's clothing was sluggish.

While retailers reported marked increases in purchases of hi-fi and television sets, the call for refrigerators and automatic laundry equipment fell moderately. Total appliance volume was noticeably under last year. Best-sellers in furniture were upholstered living room chairs and modern bedroom sets offsetting declines in occasional tables and case goods. Although the buying of floor coverings and draperies fell below the similar 1957 period, volume in linens was close to a year ago.

Housewives stepped up their buying of fresh produce during the week, making for marked year-to-year gains. Interest in canned goods, dairy products and poultry matched that of the prior week.

In preparation for the Christmas selling season, retailers stepped up their orders for children's clothing last week. Interest was centered on girls' dresses and sportswear and boys' sports shirts, slacks and sports jackets Volume in women's fall dresses, suits, furs and rainwear expanded noticeably, while the call for fall and winter suits slackened. There was a moderate rise in the buying of women's cruisewear. Purchases of men's suits, topcoats and slacks were sustained at a high level.

There was another moderate rise in textile activity during the week. Increased trading in print cloths and broadcloths boosted over-all volume in cotton gray goods. Transactions in industrial fabrics and man-made fibers heightened, and volume approximated that of a year ago. While the call for carpet wool moved up appreciably in Boston and Philadelphia, interest in woolens and worsteds lagged in most markets.

Food wholesalers reported a marked rise in the buying of fresh produce as increased supplies reached the market. Further advances were reported in canned goods, frozen foods and baked goods. Interest in fresh meat, poultry and dairy products remained close to that of a week earlier.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Sept. 27, 1958 fell 2% below the like period last year. In the preceding week, Sept. 20, 1958 an increase of 1% was reported. For the four weeks ended Sept. 27, 1958, a gain of 1% was registered. For the period Jan. 1, 1958 to Sept. 27, 1958 a decrease of 1% was reported below that of 1957.

Retail trade sales volume in New York City last week increased from 10 to 13% over the level of the similar period of 1958, estimates by trade observers show.

Sales promotions of furniture and home furnishings along with purchases of dresses, junior wear and accessories helped bolster sales volume the past week.

According to the Federal Reserve Board's index, department store sales in New York City for the week ended Sept. 27, 1958 showed a decrease of 1% from that of the like period last year. In the preceding week, Sept. 20, 1958 an increase of 1% was reported. For the four weeks ended Sept. 27, 1958, an increase of 3% was noted. For the period Jan. 1, 1958 to Sept. 27, 1958 an increase of 1% was registered above that of the corresponding period in 1957.

Form Covington Invest.

(Special to THE FINANCIAL CHRONICLE)

ROCKINGHAM, N. C.—Covington Investment Company has been formed with offices in the Farmers Bank Building to act as dealers in securities. Officers are W. H. Entwistle, Sr., President and Treasurer; R. E. Bennett, Jr., W. S. Covington, and R. L. Phillips, Vice-Presidents; and Henry D. Ledbetter, Secretary.

With Dempsey Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Nadine Carter has joined the staff of Dempsey-Tegeler & Co., 210 West Seventh Street.

Liddle & Eilers Now With First California

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif.—George R. Liddle and Marcus B. Eilers have become associated with First California Company. Mr. Liddle was formerly resident manager for Walston & Co., Inc., with which Mr. Eilers was also associated.

Thomas H. Heller With Lester, Ryons & Co.

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif.—Thomas H. Heller has become associated with Lester, Ryons & Co., 110 South Euclid Avenue. Mr. Heller was formerly manager of the investment department of the local office of Walston & Co., Inc.

Joins Mitchum, Jones

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Alan T. Robertson has become affiliated with Mitchum, Jones & Templeton, 650 South Spring Street, members of the New York and Pacific Coast Stock Exchanges.

William T. Spence

William T. Spence passed away Oct. 3 at the age of 67. Prior to his retirement he was associated with Spencer Trask & Co.

Henry G. McLean

Henry G. McLean passed away Oct. 1 at the age of 58 following a brief illness. He was connected with Laird & Co. Corporation in New York.

Securities Salesman's Corner

By JOHN DUTTON

"Time Out for Some Clear Thinking"

Those of us, investors and securities salesmen alike, who have been around for a few years have been somewhat uncertain as to the extent and duration of the current upsurge in the prices of common stocks. As perplexing and enigmatic as the public's appetite for stocks may appear today, if you will go back only nine months you will find that the indecision and uncertainty pertaining to the future state of business and stock prices was then both perplexing and bewildering not only to investors but to politicians, market letter writers, business forecasters, commentators, and many investment analysts. Why this great change in the overall thinking of those who mold public opinion, and of the great mass of public investors who are today avidly bidding against each other for the same stocks they would not buy at prices from 20% to 40% less than their present levels only a few months ago?

Statistics vs. Emotions

Certainly no one who has watched the ebb and flow of public excitement and eagerness to buy common stocks during such a "bull market" as we are now witnessing, and the apathy and disinterestedness of the same investing public only a few short months ago, could disagree with the time-tested adage that has proved itself over and over again which goes—"don't argue with the tape." There are economic and financial realities that exist today, such as the forecast of a $12 billion deficit between income and outgo of the Federal Treasury for fiscal 1959; the gradual yet perceptible "pickup" in business throughout the economy, which with a few exceptions is beginning to feel the brunt of government spending on a vaster scale than ever before in peacetime history; and the reduction in the top-heavy inventory position of many industries which has taken place during the past six months. All these factors are "bullish" for common stock prices. Yet, may we ask, where is the statistical evidence that justifies price-earnings ratios of 25.30 and even higher of some of today's market leaders.

Or, let us go even farther into the realm of reality and admit that many stocks in public favor are in short supply. Let us admit that the tax on capital gains is freezing stocks in investors' strong boxes and, as the demand accumulates and accentuates, the supply which normally would come forth is nonexistent. There is still one factor that controls the strength of demand and that is the conviction on the part of buyers that purchases made today will be salable at a higher level in the future. The point can be made that institutional buying is informed buying, and that since funds have piled up and are continuing to accumulate, the investment appetite of so-called informed buyers for stocks must be satisfied from the existing supply. In other words, institutional buyers are cognizant of "scarcity" and are paying up for equities they acquire on the basis that this is a new "era" and you must live in the realities of today and not of yesterday.

Let Us Admit the Statistics

Granted, that there is much to be made of all these factors as to "why" common stocks are making new highs almost daily but (and here is my point) ***are not all these reasons why this bull market is justified more in the form of vindications or excuses rather than reasons for its existence.*** Less than a year ago pessimism and derogative criticism of our entire economic future was so prevalent that the general public was more fearful of a serious business depression than we were of an atomic war. Today you hear almost nothing of this sort even from politicians who hope to make capital out of the economic corrections that are normal to a capitalist economy such as ours. *The times have changed. Optimism is in the driver's seat and pessimism has almost been extinguished!*

It Is a Matter of Emotion

The United States has changed only a little fundamentally during the past nine months. We are still the growing, striving, credit seeking, adventuresome, pioneering, risk-taking people that we were a year ago. Our factories, laboratories, and assembly lines are pouring forth an ever increasing supply of new and better products that are constantly finding eager acceptance not only among our own people but throughout the world. True it is that we are faced with the dilemma of financing a "cold war" and a possible $12 billion deficit, and at the same time we must maintain the solvency of the American dollar, but the recent Treasury financing and the current attitude of the Federal Reserve Banking System still does not give rise to any imminent fear that the printing presses will be turned loose in these United States. The current talk of inflation and the use of this idea as a reason why the public should buy common stocks is again *more of an excuse for high stock prices than a reason for buying common stocks.*

Now Sell Value

In such a situation, when the public wants stocks, and when the market leader of today is avidly sought after tomorrow, and the game of "follow the leader" is being played over and over again, it is very easy to follow the crowd. The securities salesman and the customer's representative who takes the path of least resistance and urges his customer to buy into common stocks that are enjoying a wave of current popularity may garner some quick turn profits for his customers but he may also find that the end of this road is disillusionment and disappointment.

The end of this "bull market" may be months or even years away, I certainly don't know. But there are a number of stocks that are still good values on earnings, future prospects, management, and growth potential. There are many others that have discounted prospective earnings most generously and are today selling at prices far and beyond what any informed investor would consider an attractive value. My point is simply this: anyone who pays a historically high price for any stock that is unrealistically related to its future potential, even though that stock today has collected a strong public following of eager buyers who are daily bidding it up to new highs, is just looking for trouble. Fundamentally, we have not changed as a nation in our potential to produce and to grow, neither have we changed in our basic economic complexion. We will have periods of business growth and retrogression and the stock market will react *emotionally* just as it is today. Unless you buy value *now* you may well "pay too much for your whistle."

Continued from page 2

The Security I Like Best

position to participate in the growing demand for flat glass at a time when the outlook appears to have the greatest promise. Of particular importance, the current expansion of operations could be only the initial move toward building American-Saint Gobain into a major factor in the glass industry as it is my belief that this company was organized to enable Saint Gobain to make a major penetration of the United States market for glass products.

CARL SCHICK

Partner: Henry F. Swift & Co.
Members Pacific Coast Exchange
San Francisco, Calif.

Monogram Precision Industries, Inc.

For a speculative security MONOGRAM PRECISION INDUSTRIES, INC. is the one that I like best. Under present management, in less than four years Monogram has made an impressive record. During this period Lewis & Kaufman, Timm Aircraft and Cascade Research were acquired. The company as originally created was faced with a substantial long-term debt and a large deficit in the surplus account. Today the company is free of long-term debt and the surplus account is over $700,000. In addition, a loss of $235,000 on a contract inherited through the acquisition of Lewis & Kaufman has been absorbed and in the current fiscal year over $200,000 in research and development in the Cascade Division, also subsequently acquired, has been written off. Research and development costs are now written off as incurred. The cash position, however, is on the low side due to the recent buildup in inventories necessitated by increasing orders and the time lag in collection of receivables. It is estimated that earnings for the fiscal year ended June 30, 1958, will be in excess of $135,000 after taking into account the aforementioned write-off.

Carl Schick

Monogram Precision Industries currently operates four separate divisions: the sheet metal fabrication division, the clamp division, Cascade microwave components division, and an electronic tube division, formerly known as Lewis & Kaufman. However, for practical purposes, the sheet metal and clamp division will be treated as one division in this study in that the engineering for both divisions is under one head, although production, sales and management is separate.

The sheet metal and clamp divisions are located in Culver City, Calif. in two plants of approximately 32,000 and 26,000 square feet. At its present rate, this plant will have to be expanded by at least one-half as it is understood that current operations will keep this division busy through next April. The sheet metal division operates principally in metal work which requires close tolerances and high precision and is considered one of the outstanding firms in this type of work. The customers of this division would read like a Who's Who of American corporations. Much of the work done by this division is for the aircraft, missile and electronic industry. The metal clamps produced by this division are used primarily by the aircraft and missile industry. New clamps to meet changing needs are constantly being developed and engineered and are adequately protected by patent. Much of the machinery used in this division was engineered and built by the company in its own plant. Market surveys have indicated that these clamps will be required in quantity by the aircraft and missile industry alone at least through 1961. The company is introducing these clamps into other industries to take care of the lessening demands contemplated by the aircraft industry at a later date.

In addition, the company is doing research and development work on other types of tools which are needed in the various industries and is currently producing a new piece of equipment which has a sale value of $50 as opposed to the lowest price of 13 cents per clamp.

Cascade Research Division—Tubes

The Tube Division produces a line of vacuum tubes at the Los Gatos plant. Lewis & Kaufman was the successor to Heintz & Kaufman Co. and was acquired by Monogram Precision in 1954. Mr. Benjamin B. Smith, now President, became associated with the management of the company at this time. It is understood that currently the backlog in this division is approximately $500,000. The principal competitors of this division are Eitel McCullough, General Electronics, United Electronics, Amperex and Penta Laboratories.

Cascade Research Division—Microwave

This division could be the real "kicker" as to the future prospects of this company in that the microwave ferrite components is a broad field. The research work and development done by this division has been outstanding in this area of the electronic industry. Most recently the company has developed a special type of microwave tube which will probably have wide application in the missile and the jet bomber field.

Hughes Aircraft Company has signed an agreement permitting this division to manufacture a new group of microwave devices developed by Hughes' research and development laboratories. The license makes available to the Cascade Division technical information developed by Hughes for the production of very wide band ferrite isolators.

The Aug. 25 issue of "Electronic News" has an article with regard to a new radar system called Pincushion. This system is said to employ ferrite phase shifters as electrical couplers in a panoramic radar network. This display configuration would eliminate delay time inherent in rotating type, single dipole antennas, thus providing earlier warning.

Well-informed sources, close to the Cascade Division said the firm is planning to submit proposals to the Government on a ferrite phase shifter which would be the integral component of the radar system. Cascade was reported to have full knowledge of the specifications for this phase shifter component and was reported to be hoping that approval of its proposed component would sew up the assignment and make an open bid unnecessary. Cascade Division has been able to maintain its position in this field as Dwight Caswell, research scientist, is considered one of the top 10 scientists in ferrite microwave research.

The acquisition of Timm Aircraft last year has not worked out as originally planned and is for sale. If the Timm plant is disposed of at its market value it would put the company in a strong financial position.

Management is extremely capable and alert to ever changing conditions and is profit-minded.

The stock has wide distribution, with approximately 5,000 shareholders at present who are located in 47 of the 49 states.

It is anticipated that further acquisitions, particularly in the electronic field, will be made when suitable situations that round out operations in this field are available on a favorable basis to present shareholders.

In conclusion, it would appear that the company, as presently constituted, in the next fiscal year with a backlog of over $2,500,000 could have sales in excess of $500,000 per month and earn 50 cents per share. In comparison with share prices of similar companies the price of Monogram stock should command a higher price and should be considered for those accounts that can afford to assume a sound calculated risk. The stock is traded in the Over-the-Counter Market.

Geo. Munsick V.-P. of Am. Bankers Assn.

George Munsick, President of The Morristown Trust Company has been appointed as Vice-President of the American Bankers Association for the State of New Jersey, it has been announced by Lee P. Miller, newly elected President of the Association and President of the Citizens Fidelity Bank and Trust Company, Louisville, Kentucky.

State Vice-President Munsick will maintain liaison between the national association and individual banks in New Jersey. He will also be responsible for membership activities on behalf of the national association.

Mr. Munsick is very active in the New Jersey Bankers Association, of which he is immediate past President and member of the Executive Committee. He also served as Treasurer and Vice-President of the New Jersey Association.

Forms Danz & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Herbert Danz is engaging in a securities business from offices at 1350 Grand Avenue under the firm name of Danz & Co.

Alester Furman Branch

ANDERSON, S. C.—Alester G. Furman Co., Inc., has opened a branch office at 116 West Whitner Street under the management of William R. Phillips.

2 With Bruns, Nordeman

Walter W. Kirsch and Fred A. Kirsch are now associated with Bruns, Nordeman & Co., 321-323 Broadway, New York City.

Robert Buell Branch

BRISTOL, Conn. — Robert C. Buell and Company has opened a branch office at 81 Main Street under the direction of Ernest H. Cady, Jr.

Forms Universal Inv.

WOODSIDE, N. Y.—Arnold J. Utstein is engaging in a securities business from offices at 48-25 Forty-third Street under the name of Universal Investors.

Amos Sudler Branch

RIVERTON, Wyo. — Amos C. Sudler & Co. has opened a branch in the Acme Theatre Building under the management of Mel Kidder.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

● Addressograph-Multigraph Corp.
Sept. 17 filed 141,113 shares of common stock (par $5) being offered for subscription by common stockholders of record Oct. 7, 1958 at rate of one new share for each 20 shares held; rights to expire on Oct. 22, 1958. **Price**—$62.50 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Smith, Barney & Co., New York.

★ Aerocar, Inc., Longview, Wash.
Sept. 29 (letter of notification) 2,000 shares of class B common stock. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Underwriter**—None.

Amber Oil Co., Inc.
Sept. 5 (letter of notification) 125,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For development of an oil and gas property. **Office**—1305 Continental Life Bldg., Fort Worth, Texas. **Underwriter**—Leeford Co., Inc., Fort Worth, Texas.

● American Box Board Co.
Sept. 11 filed 49,732 shares of common stock (par $1) being offered in exchange for Wolverine Carton Co. common stock at the rate of two shares of American for each share of Wolverine. The offer is subject to acceptance by at least 95% (23,623 shares) of Wolverine common stock; however, American may declare offer effective whenever it has been accepted by not less than 80% (19,983 shares) of the outstanding Wolverine common stock. The offer will expire at 4 p.m. (EST) on Oct. 27.

American-Caribbean Oil Co. (N. Y.)
Feb. 28 filed 500,000 shares of common stock (par 20¢). **Price**—To be supplied by amendment. **Proceeds** — To discharge current liabilities and to drill ten wells. **Underwriters**—To be named by amendment.

American & Foreign Power Co., Inc. (10/22)
Oct. 1 filed a maximum of 185,000 shares of no par common stock (public offering of a minimum of 180,000 shares of stock). **Price**—To be supplied by amendment. **Proceeds**—To Electric Bond & Share Co. **Underwriters**—Lazard Freres & Co. and The First Boston Corp., both of New York.

American Mutual Investment Co., Inc.
Dec. 17 filed 490,000 shares of capital stock. **Price**—$10.20 per share. **Proceeds**—For investment in first trust notes, second trust notes and construction loans. Company may develop shopping centers and build or purchase office buildings. **Office** — 900 Woodward Bldg., Washington, D. C. **Underwriter** — None. Sheldon Magazine, 1201 Highland Drive, Silver Spring, Md., is President.

American Telemail Service, Inc.
Feb. 17 filed 375,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To purchase equipment and supplies and for working capital and other corporate purposes **Office**—Salt Lake City Utah **Underwriter**—Amos Treat & Co., Inc., of New York. **Change in Name**—Formerly United States Telemail Service, Inc.

Ampal-American Israel Corp., New York
Aug. 8 filed $3,289,100 of 10-year discount convertible debentures, series E. **Price**—61.027% of principal amount, payable in cash or in State of Israel Independence Issue or Development Issue bonds. **Proceeds**—For development and expansion of agricultural, industrial and commercial enterprises in Israel. **Underwriter**—None.

Anderson Electric Corp.
Dec. 23, 1957 (letter of notification) 14,700 shares of class B common stock (par $1). **Price** — $12 per share. **Proceeds** — To go to selling stockholders. **Office** — 700 N. 44th Street, Birmingham, Ala. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill.; and Odess, Martin & Herzberg, Inc., Birmingham, Ala.

★ Angelica Uniform Co., St. Louis, Mo. (11/3-7)
Oct. 6 filed 150,000 shares of outstanding common stock. **Price**—To be supplied by amendment (expected at $10 per share). **Proceeds** — To selling stockholders. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Loius, Mo.

Anita Cobre U. S. A., Inc., Phoenix, Ariz.
Sept. 30, 1957, filed 85,000 shares of common stock. **Price**—At par ($3.75 per share). **Proceeds**—For investment in subsidiary and working capital. **Underwriter**—Selected Securities, Inc., Phoenix, Ariz.

Arizona Public Finance Co., Phoenix, Ariz.
Sept. 2 filed 902,808 shares of common stock, which are issuable as underwriting commissions on the sale of an issue of $981,700 5% debentures and 9,805,603 shares of common stock now being offered publicly under an earlier registration statement. Under an underwriting agreement between the company and Public Development Corp., the underwriter, the latter will be entitled to receive common stock equal in par value to 10% of the par value of all stock sold pursuant to this offering and subsequent to June 30, 1958. Common shares will also be issued in an amount equal to 5% of the debentures sold subsequent to that date.

Associated Grocers, Inc., Seattle, Wash.
June 30 filed 4,788 shares of common capital stock (par $50) and $1,500,000 of 5% subordinated registered debenture notes, second series, and $606,000 of 5% coupon bearer debentures. To be offered to members of the association. **Proceeds** — For working capital. **Underwriter**—None.

★ Australia (Commonwealth of) (10/23)
Oct. 3 filed $25,000,000 of 20-year bonds due Nov. 1, 1978. **Price**—To be supplied by amendment. **Proceeds**—For various public works projects. **Underwriter**—Morgan Stanley & Co., New York.

Baltimore Paint & Chemical Corp. (10/15)
Sept. 17 filed $2,000,000 of 6½% sinking fund debentures due 1973, and 140,000 shares of common stock (par 50 cents) to be offered in units of $500 principal amount of debentures and 35 shares of stock. **Price**—$605 per unit. **Proceeds**—For reduction of outstanding loan and for working capital. **Office** — Baltimore, Md. **Underwriter**—P. W. Brooks & Co. Inc., New York.

Baltimore Paint & Chemical Corp. (10/15)
Sept. 17 filed 25,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—To selling stockholders. **Underwriter**—P. W. Brooks & Co., Inc., New York.

Bankers Fidelity Life Insurance Co.
Feb. 28 filed 258,740 shares of common stock (par $1) of which 125,000 shares are to be offered publicly and 133,740 shares to employees pursuant to stock purchase options. **Price**—To public, $6 per share. **Proceeds**—For expansion and other corporate purposes. **Office** — Atlanta, Ga **Underwriter**—None.

Bankers Management Corp. (10/15)
Feb. 10 filed 400,000 shares of common stock (par 25 cents.) **Price**—$1 per share. **Proceeds**—To reduce outstanding indebtedness and for working capital. **Office**—Houston, Texas. **Underwriter** — McDonald, Holman & Co., Inc., New York.

Bankers Southern, Inc.
April 14 filed 8,934 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—For general corporate purposes **Underwriter** — Bankers Bond Co., Louisville, Ky.

★ Benio Minerals, Inc.
Sept. 25 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office** — 710 S. Fourth St., Las Vegas, Nev. **Underwriter**—None.

Bowling Corp. of America (10/10-15)
Sept. 11 filed 450,000 units, each consisting of one share of common stock (par 10 cents) and two common stock purchase warrants, one warrant to expire 18 months from the date thereof, exercisable at $3.25 per share, and one warrant to expire 30 months from the date thereof, exercisable at $3.50 per share. **Price**—$3 per unit. **Proceeds**—For working capital. **Underwriter**—Charles Plohn & Co., New York.

Calidyne Co., Inc., Winchester, Mass.
June 4 filed 230,875 shares of common stock (par $1) These shares are issuable upon conversion of an aggregate principal amount of $923,500 of 10-year 3% convertible subordinated income notes of the Calidyne Co. a limited partnership, which notes were assumed by the company Dec. 31, 1957. The notes are convertible at any time after July 1, 1958, until the maturity or prior redemption of the notes at a conversion price of $4 per share. **Underwriter**—None.

● Canal-Randolph Corp., Chicago, Ill. (10/14)
Sept. 22 filed 91,662 shares of common stock (par $1) to be offered for subscription by common stockholders at the rate of one new share for each 10 shares held on Oct. 14, 1958; rights to expire on Oct. 28. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Underwriter**—Ladenburg, Thalmann & Co., New York.

★ Carman Laboratories, Inc.
Oct. 3 (letter of notfication) $100,000 principal amount of 5% notes, due Nov. 1, 1973 and 2,000 shares of common stock (par $1) to be offered in units consisting of $1,000 principal amount of notes and 20 shares of common stock. **Price**—$1,020 per unit. **Proceeds**—To repay existing short term bank loans and for working capital. **Office** — 328R The Greatroad, Bedford, Mass. **Underwriter**—None.

Carrtone Laboratories, Inc., Metairie (New Orleans), La.
July 2 filed 600,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—For expansion working capital and other corporate purposes. **Underwriter**—None.

Case (J. I.) Co. (10/16)
Sept. 26 filed a maximum of $23,000,000 of debentures due 1983 (convertible into common stock until Oct. 15, 1968), to be offered for subscription by common stockholders of record on Oct. 14, 1958, on the basis of $100 of debentures for each 13 or 14 common shares held; rights to expire on Oct. 30, 1958. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term indebtedness to banks. **Business**—Farm machinery, etc. **Underwriters**—Morgan Stanley & Co. and Clark, Dodge & Co., both of New York.

★ Case (J. I.) Co.
Oct. 3 filed 50,000 warrants for the purchase of 45,000 shares of common stock (par $12.50) and 90,000 shares of 6½% second cumulative preferred stock, together with an equal amount of the common and preferred shares. Each warrant entitles the holder thereof to purchase, not later than 2 p.m. on Feb. 2, 1959, an aggregate of nine-tenths of one share of common stock and four-fifths shares of preferred stock of the Case Company. **Price**—$16 for each aggregate of one-half share of common stock and one share of preferred stock. **Proceeds**—To be added to the general funds of the company. **Underwriter**—None.

Central Oils Inc., Seattle, Wash.
July 30 filed 1,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds** — For drilling costs. **Underwriter**—None. Offering to be made through A. R. Morris and H. C. Evans, President and Vice-President, respectively, on a best-efforts basis. **Office**—4112 Arcade Building, Seattle, Wash.

★ Central Soya Co., Inc. (10/28)
Oct. 6 filed 200,000 additional shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriters** — Goldman, Sachs & Co., and Blyth & Co., Inc., both of New York.

Charles Town Racing Association, Inc.
Sept. 9 filed 4,000,000 shares of common stock (par 10 cents), represented by voting trust certificates, of which 3,530,000 shares are to be offered to the public and the remaining 470,000 shares have been issued to nine persons, who may sell such shares at the market. **Price**—60 cents per share. **Proceeds** — For construction of racing plant and acquisition of equipment. **Office**—Charlestown, W. Va. **Underwriter**—None.

● C emirad Co p., East Brunswick, N. J. (10/15)
Sept. 25 filed 165,830 shares of common stock (par 10 cents) to be offered for subscription about Oct. 15 by holders of common stock of Cary Chemicals Inc. at the rate of one share for every four shares of Cary Chemicals common stock held; rights to expire on or about Nov. 5. **Price**—$2 per share. **Proceeds**—For expansion program. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York.

★ Cherry Hill Hospital Realty Corp.
Sept. 26 (letter of notification) $300,000 of Series A 6% debenture bonds due Nov. 1, 1978. **Price**—At face value (in denominations of $500 and $1,000). **Proceeds**—To erect a modern general hospital building. **Office**—Chapel Avenue and Cooper Landing Road in the Cherry Hill section of Delaware Township, N. J. **Underwriter**—None.

★ Chock Full O' Nuts Corp., New York (10/23)
Oct. 3 filed 440,000 outstanding shares of common stock, of which 400,000 shares are to be offered publicly and 40,000 shares to officers and employees. **Price**—To be supplied by amendment. **Proceeds** — To selling stockholder. **Underwriter**—F. Eberstadt & Co., New York.

● Cincinnati & Suburban Bell Telephone Co. (10/21)
Sept. 26 filed $25,000,000 of 35-year debentures due Oct. 1, 1993. **Proceeds** — For construction program and to repay advances from American Telephone & Telegraph Co. which owns 29% of the outstanding common stock of the company. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp.; White, Weld & Co. **Bids**—Expected to be received up to 11 a.m. (EDT) on Oct. 21 at Room 2315, 195 Broadway, New York, N. Y.

Cinemark II Productions, Inc.
June 30 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office** — 937 Acequia Madre Rd., Santa Fe, N. M. **Underwriter**—Watson & Co., Santa Fe, N. M.

● Clary Corp.
Aug. 27 (letter of notification) 75,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record Oct. 15, 1958 on the basis of one new share for each 12 shares held; (with an oversubscription privilege); rights to expire on Nov. 7. **Price**—$4 per share. **Proceeds**—For working capital. **Office**—408 Junipero St., San Gabriel, Calif. **Underwriter**—None.

Clute Corp.
Aug. 21 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To pay additional costs of construction; and for retirement of obligations and working capital. **Office** — c/o John Harlan Lowell, 2200 Kenton, Aurora, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

● Columbia & Rensselaer Telephone Corp.
Aug. 4 (letter of notification) 2,800 shares of common stock (no par) being offered for subscription by stockholders at the rate of one new share for each 2.572 shares held. **Price**—$60 per share. **Proceeds**—For construction of new telephone plant. **Office**—19 Railroad Avenue, Chatham, N. Y. **Underwriter**—None.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,00 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York **Offering**—Indefinite.

★ Commonwealth Edison Co.
Oct. 8 filed 100,000 shares of common stock, to be issued in connection with a 2% stock dividend payable Nov. 1, 1958 to stockholders of record Sept. 22, 1958 at rate of one share for each 50 shares held. **Price** — At market. **Proceeds** — To stockholders wishing to receive cash instead of stock. **Underwriters** — The First Boston Corp. and Glore, Forgan & Co., both of New York.

● Consolidated Cuban Petroleum Corp.
July 1 filed 419,000 outstanding shares of common stock (par 20 cents). **Price**—Related to the current market

price on the American Stock Exchange. **Proceeds**—To selling stockholders. **Underwriter**—None. Statement effective Sept. 26.

Consumers Power Co.
Aug. 29 filed 150,000 shares of preferred stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To repay short-term bank loans and for expansion and improvement of service facilities. **Underwriter** — Morgan Stanley & Co., New York. **Offering**—Postponed indefinitely.

Continental Connector Corp., Woodside, L. I., N. Y.
Sept. 25 filed 125,000 shares of class A stock (par $1). **Price**—$8 per share. **Proceeds**—To selling stockholders. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

Counselors Research Fund, Inc., St. Louis, Mo.
Feb. 5 filed 100,000 shares of capital stock, (par one cent). **Price**—At market. **Proceeds**—For investment. **Underwriter** — Counselors Research Sales Corp., St Louis. Robert H. Green is President.

Cryogenic Engineering Co.
Sept. 22 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For repayment of loan; purchase of plant and office equipment; raw materials and supplies; and for working capital, etc. **Office**—U. W. National Bank Bldg., 1740 Broadway, Denver, Colo. **Underwriter**—L. A. Huey, Denver, Colo.

Cuban-Venezuelan Oil Voting Trusts, Havana, Cuba
March 31 filed 767,838 units of voting trust certificates, each certificate representing the ownership of one share of common stock (par one-half cent) in each of 24 Cuban companies. **Price** — To be supplied by amendment. **Proceeds**—For capital expenditures, exploration costs and other corporate purposes. **Underwriter**—None.

Derson Mines Ltd.
June 5 filed 350,000 shares of common stock. **Price**—$1 per share. **Proceeds**—For new equipment, repayment of loan, acquisition of properties under option, and other corporate purposes. **Office**—Toronto, Canada, and Emporium, Pa. **Underwriter**—None.

Dow Chemical Co., Midland, Mich. (10/13)
Sept. 11 filed 175,000 shares of common stock (par $5) to be offered to employees of the company, its subsidiaries, and certain associated companies; subscriptions will be accepted from Oct. 13 through Oct. 31. By a separate registration statement the company plans to offer 12,500 additional shares of the said stock to employees of Dow Corning Corp., a 50% owned subsidiary of the corporation.

★ Duffy-Mott Co., Inc., New York
Oct. 3 filed 228,950 shares of common stock (par $100) of which 108,950 shares will be sold for account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To provide added working capital to carry increased inventories and receivables. **Business** — A processor of "Mott's" apple products, "Sunsweet" prune juice, and "Clapp's" baby foods. **Underwriter**—Kidder, Peabody & Co., New York. **Offering**—Expected late in October or early in November.

★ Eastern Stainless Steel Corp. (10/28)
Oct. 6 filed $5,123,600 of convertible subordinated debentures due Nov. 15, 1973, to be offered initially to stockholders on the basis of $100 principal amount of debentures for each 14 shares of common stock held about Oct. 28, 1958; rights to expire about Nov. 11. **Price**—To be supplied by amendment. **Proceeds** — Together with other funds, will be used to retire approximately $4,000,000 of 4½% notes, to increase plant facilities, and to finance additional inventories. **Underwriter**—Hornblower & Weeks, New York.

Electronic Specialty Co., Los Angeles, Calif.
Aug. 8 (letter of notification) not in excess of $50,000 aggregate value of common stock (par 50 cents) to be sold in State of California only. **Price**—At market (estimated at about $12.25 per share). **Proceeds**—To selling stockholders. **Underwriter**—Bateman, Eichler & Co., Los Angeles, Calif.

Ethodont Laboratories, Berkeley, Calif.
Feb. 20 filed 300,000 shares of common stock. **Price**—At par ($5 per share). **Proceeds**—To cover operating expense during the development period of the corporation. **Underwriter**—None.

Exploration Service Co., Ltd., Far Hills, N. J.
Aug. 11 this company and Amkirk Petroleum Corp. (latter of Fort Worth, Texas) filed $400,000 of working interests (non-producing in Sinu Valley Project), to be offered for sale in $12,500 units (of which $8,000 is payable in cash and $4,500 is to be represented by promissory notes). **Proceeds**—Exploration Service Co. to acquire 80% interest in a certain concession from Amkirk and for exploration program. **Underwriter**—Cador, Inc., Far Hills, N. J.

Federal Commercial Corp.
May 21 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—To make loans, etc. **Office** — 80 Wall St., New York, N. Y. **Underwriter**—Dumont Securities Corp., New York, N. Y.

★ Florida Power & Light Co. (10/28)
Oct. 6 filed 300,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds** — To provide additional electric facilities and for other corporate purposes. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co., both of New York.

• Florida Water & Utilities Co. (10/16)
Sept. 4 filed 55,000 shares of common stock (par $1). **Price** — $7 per share. **Proceeds** — Together with other funds, to be used to reduce the company's indebtedness, for working capital, and for property additions and improvements. **Underwriter** — Beil & Hough, Inc., St. Petersburg, Fla.

Forest Laboratories, Inc.
March 26 filed 150,000 shares of capital stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For sales promotion of company's products, working capital, additional inventory and accounts receivable, for research and development and for other general corporate purposes. **Office**—Brooklyn, N. Y. **Underwriters**—Statement to be amended.

Fremont Valley Inn
Aug. 6 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To erect and operate an activities building, comprising a restaurant, cocktail lounge and coffee shop. **Office**—3938 Wilshire Blvd., Los Angeles, Calif. **Underwriter**—Oscar G. Werner & Co., Pasadena, Calif.

• General Aero & Electronics Corp. (10/28)
Sept. 29 filed 500,000 shares of common stock (par 10 cents), of which 100,000 shares are to be sold for the account of selling stockholders. **Price**—$2.25 per share. **Proceeds**—For acquisition of stock of National Missile & Electronics Corp., additional working capital and other corporate purposes. **Underwriter**—Willis E. Burnside & Co., Inc., New York.

General Aniline & Film Corp., New York
Jan. 14, 1957 filed 426,988 shares of common A stock (no par) and 1,537,500 shares of common B stock (par $1). **Proceeds**—To the Attorney General of the United States. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co.; Lehman Brothers, and Glore, Forgan & Co. (jointly). **Bids**—Had been scheduled to be received up to 3:45 p.m. (EDT) on May 13 at Room 654, 101 Indiana Ave., N. W., Washington 25, D. C., but bidding has been postponed

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NEW ISSUE CALENDAR

October 9 (Thursday)
Arabol Manufacturing Co. — **Preferred & Common**
(Bids 11 a.m. EDT) 210 shares of preferred and 515.6 shares of common
Norfolk & Western Ry. — **Equip. Trust Ctfs.**
(Bids to be received) $7,440,000

October 10 (Friday)
Bowling Corp. of America — **Common**
(Charles Plohn & Co.) $1,350,000

October 13 (Monday)
Dow Chemical Co. — **Common**
(Offering to employees—no underwriting) 175,000 shares
Magna Investment & Development Corp. — **Debens.**
(J. A. Hogle & Co.) $500,000
Magna Investment & Development Corp. — **Com.**
(J. A. Hogle & Co.) $252,000
Weingarten Markets Realty Co. — **Debentures & Common**
(Moroney, Beissner & Co.) $1,600,000 of debentures and 50,000 common shares

October 14 (Tuesday)
Canal-Randolph Corp. — **Common**
(Offering to stockholders—underwritten by Ladenburg, Thalmann & Co.) 91, 662 shares
Horne (Joseph) Co. — **Debentures**
(Offering to stockholders—underwritten by The First Boston Corp.) $2,538,900
Idaho Power Co. — **Bonds**
(Bids 11:30 a.m. EDT) $15,000,000

October 15 (Wednesday)
Baltimore Paint & Chemical Corp. — **Debentures & Common**
(P. W. Brooks & Co. Inc.) $2,420,000
Baltimore Paint & Chemical Corp. — **Common**
(P. W. Brooks & Co., Inc.) $75,000
Bankers Management Co. — **Common**
(McDonald, Holman & Co., Inc.) $400,000
Chemirad Corp. — **Common**
(Offering to stockholders of Cary Chemicals Inc.—underwritten by Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $331,660
Hauserman (E. F.) & Co. — **Common**
(Blyth & Co., Inc. and McDonald & Co.) 165,000 shares
National Shares Corp. — **Common**
(Offering to stockholders—no underwriting) 540,000 shares
Oxford Paper Co. — **Debentures**
(Blyth & Co., Inc.) $10,000,000
Precise Development Corp. — **Preferred & Com.**
(R. A. Holman & Co., Inc.) $300,000
Sanborn Co. — **Common**
(Paine, Webber, Jackson & Curtis) 100,000 shares
Weingarten (J.), Inc. — **Debentures**
(White, Weld & Co. and Moroney, Beissner & Co.) $6,500,000

October 16 (Thursday)
Case (J. I.) Co. — **Debentures**
(Offering to stockholders—underwritten by Morgan Stanley & Co. and Clark, Dodge & Co.) $23,000,000
Florida Water & Utilities Co. — **Common**
(Beil & Hough, Inc.) $385,000
Pauley Petroleum, Inc. — **Common**
(William R. Staats & Co.) 500,000 shares
Penn-Texas Corp. — **Common**
(Offering to stockholders—Bear, Stearns & Co.) 1,488,438 shares
Transcontinental Gas Pipe Line Corp. — **Common**
(White, Weld & Co. and Stone & Webster Securities Corp.) 600,000 shares

October 20 (Monday)
Scudder Fund of Canada, Ltd. — **Common**
(Lehman Brothers and William Street Sales, Inc.) 3,000,000 shares
Union Finance Corp. — **Debentures**
(Bell & Hough, Inc.) $500,000

October 21 (Tuesday)
Cincinnati & Suburban Bell Telephone Co. — **Debs.**
(Bids 11 a.m. EDT) $25,000,000
United Cities Gas Co. — **Preferred**
(Eastman Dillon, Union Securities & Co., Inc.) $300,000

October 22 (Wednesday)
American & Foreign Power Co., Inc. — **Common**
(Lazard Freres & Co. and The First Boston Corp.) 185,000 shares

October 23 (Thursday)
Australia (Commonwealth of) — **Bonds**
(n Stanley & Co.) $25,000,000
Chock Full O'Nuts Corp. — **Common**
(F. Eberstadt & Co.) 400,000 shares

October 27 (Monday)
Tenney Engineering, Inc. — **Debentures**
(Milton D. Blauner & Co., Inc.) $500,000
Tenney Engineering, Inc. — **Common**
(Milton D. Blauner & Co., Inc.) 25,000 shares

October 28 (Tuesday)
Central Soya Co., Inc. — **Common**
(Goldman, Sachs & Co. and Blyth & Co., Inc.) 200,000 shares
Eastern Stainless Steel Corp. — **Debentures**
(Offering to stockholders—underwritten by Hornblower & Weeks) $5,123,600
Florida Power & Light Co. — **Common**
(Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co.) 300,000 shares
General Aero & Electronics Corp. — **Common**
(Willis E. Burnside & Co., Inc.) $1,125,000
Texas Electric Service Co. — **Bonds**
(Bids noon EST) $10,000,000
Texas Electric Service Co. — **Preferred**
(Bids noon EST) $8,000,000

October 29 (Wednesday)
Glidden Co. — **Debentures**
(Blyth & Co., Inc.) $30,000,000
International Harvester Credit Corp. — **Debens.**
(Morgan Stanley & Co.; Glore, Forgan & Co.; and William Blair & Co.) $50,000,000
Puget Sound Power & Light Co. — **Debentures**
(Bids noon EDT) $15,000,000
Tampa Electric Co. — **Preferred**
(Stone & Webster Securities Corp.) $10,000,000

November 3 (Monday)
Angelica Uniform Co. — **Common**
(Scherck, Richter Co. and Dempsey-Tegeler & Co.) $1,560,000

November 6 (Thursday)
Indiana & Michigan Electric Co. — **Bonds**
(Bids 11 a.m. EST) $20,000,000

November 10 (Monday)
Perrine Industries, Inc. — **Class A common**
(Charles Plohn & Co.; Plymouth Bond & Share Corp., and Clayton Securities Corp.) $600,000

November 13 (Thursday)
Norfolk & Western Ry. — **Equip. Trust Ctfs.**
(Bids to be received) $5,310,000

November 18 (Tuesday)
Pacific Telephone & Telegraph Co. — **Debentures**
(Bids to be invited) $80,000,000

December 2 (Tuesday)
Public Service Electric & Gas Co. — **Common**
(May be Merrill Lynch, Pierce, Fenner & Smith) 700,000 shares

December 9 (Tuesday)
Southern Bell Telephone & Telegraph Co. — **Debens.**
(Bids to be received) $70,000,000

December 18 (Thursday)
Norfolk & Western Ry. — **Equip. Trust Ctfs.**
(Bids to be received) $6,450,000

Postponed Financing

Consumers Power Co. — **Preferred**
(Morgan Stanley & Co.) $15,000,000
Gulf States Utilities Co. — **Bonds**
(Bids to be invited) $17,000,000
Laclede Gas Co. — **Bonds**
(Bids to be invited) $10,000,000
Michigan Bell Telephone Co. — **Debentures**
(Bids to be invited) $40,000,000
Montana Power Co. — **Bonds**
(Bids to be invited) $20,000,000
Moore-McCormack Lines, Inc. — **Bonds**
(Kuhn, Loeb & Co and Lehman Brothers) $24,000,000
Pennsylvania Power Co. — **Bonds**
(Bids to be invited) $8,000,000
South Carolina Electric & Gas Co. — **Bonds**
(Bids to be invited) $10,000,000
Southwestern Bell Telephone Co. — **Debentures**
(Bids to be invited) $110,000,000
Utah Power & Light Co. — **Bonds**
(Bids to be invited) $20,000,000

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General Devices, Inc., Princeton, N. J.
March 31 (letter of notification) 40,000 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of approximately 18.5 shares for each 100 shares held about April 15; unsubscribed shares to public. Price—$3.50 per share. Proceeds—For expansion, equipment and working capital. Underwriter—None.

★ **General Public Utilities Corp.**
Oct. 1 filed a maximum 530,000 shares of common stock (par $5) to be offered for subscription by common stockholders at the rate of one new share for each 20 shares held. Price—To be supplied by amendment. Proceeds—To pay short-term bank loans and for additional investments in domestic subsidiaries. Clearing Agent—Merrill Lynch, Pierce, Fenner & Smith, New York. Offering—Expected in November.

★ **Glidden Co. (10/29)**
Oct. 7 filed $30,000,000 sinking fund debentures due 1983. Price—To be supplied by amendment. Proceeds—To repay bank loans, etc. Underwriter — Blyth & Co., Inc., New York.

Great American Realty Corp., N. Y.
Aug. 18 filed 484,000 shares of class A stock (par 10 cents). Of this stock, the company proposes to offer 400,000 shares and certain selling stockholders 40,000 shares, the remaining 44,000 shares being subject to option to be offered for the account of the underwriters. Price—To be supplied by amendment. Proceeds—For working capital and other corporate purposes. Underwriters—Joseph Mandell Co. and Louis L. Rogers Co. both of New York, on a best efforts basis.

Great Northern Life Insurance Co.
Aug. 12 (letter of notification) 31,011 shares of common stock (par $1) to be offered to stockholders on the basis of one new share for each seven shares held; warrants to expire Oct. 20, 1958. Unsubscribed shares to be offered to public. Price—$3 per share. Proceeds—For general funds to be used for expansion. Office—119 W. Rudisill Blvd., Fort Wayne, Ind. Underwriter—Northwestern Investment Inc., 502 Gettle Bldg., Fort Wayne, Ind.

Guardian Insurance Corp., Baltimore, Md.
Aug. 16, 1957, filed 300,000 shares of common stock, of which 200,000 shares are to be publicly offered and the remaining 100,000 shares reserved for issuance upon exercise of warrants which are to be sold at 25 cents per warrant to organizers, incorporators, management and/or directors. Price—$10 per share. Proceeds—For working capital and general corporate purposes. Underwriter—None.

Gulf States Utilities Co.
Aug. 14 filed $17,000,000 of first mortgage bonds, series A, due 1988. Proceeds—Together with cash on hand, to redeem and retire $17,000,000 principal amount of 4⅞% first mortgage bonds due 1987. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith and White, Weld & Co. (jointly); Stone & Webster Securities Corp.; and Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). Bids—Had been expected to be received on Sept. 15, but has been indefinitely postponed.

Hauserman (E. F.) & Co. (10/15)
Sept. 23 filed 165,000 shares of common stock (par $1), of which 73,000 shares are to be sold for account of company and 92,000 shares for selling stockholders. Price—To be supplied by amendment. Proceeds—For plant expansion. Underwriters—Blyth & Co., Inc., New York, and McDonald & Co., Cleveland, Ohio.

★ **Hawaiian Electric Co., Ltd.**
Oct. 8 filed 84,750 shares of common stock (par $20) to be offered for subscription by holders of its outstanding common stock of record Oct. 15, 1958, at the rate of one new share for each 10 shares then held. Price—To be supplied by amendment. Proceeds — To become part of the general funds of the company and will be applied toward the cost of the company's construction program. Underwriter—None.

Haydu Electronic Products, Inc.
Sept. 3 (letter of notification) $300,000 6% convertible subordinated debentures due Dec. 31, 1968. To be offered for public sale. Price—$100 per $100 of debentures. Proceeds—For working capital and for general corporate purposes. Office—1426 West Front St., Plainfield, N. J. Underwriter — Berry & Co., Plainfield, N. J. and New York, N. Y.

Hoagland & Dodge Drilling Co., Inc.
June 12 filed 27,000 shares of capital stock. Price—$10 per share. Proceeds—To be used in part for the exploration of mines and development and operation of mines and in payment of indebtedness. Office—Tucson, Ariz. Underwriter—None.

Horne (Joseph) Co. (10/14)
Sept. 25 filed $2,538,900 in convertible subordinated debentures due 1973, to be offered for subscription by common stockholders of record Oct. 14, 1958 on the basis of $100 of debentures for each 12 common shares held; rights to expire on Oct. 28. Price—To be supplied by amendment. Proceeds—Together with other funds, will be used primarily to acquire furniture and fixtures and to provide working capital for the opening of two new stores. [Pending the opening of these stores the proceeds will be used to reduce or eliminate seasonal bank borrowings.] Business—Department store. Underwriter—The First Boston Corp., New York.

Household Gas Service, Inc.
Sept. 10 (letter of notification) $75,000 6% convertible debentures due June 15, 1973 to be offered in denominations of $1,000 and $500 each. Price—At par. Proceeds—For repayment of debt and for working capital. Office—Clinton, N. Y. Underwriter—Mohawk Valley Investing Co., Inc., Utica, N. Y.

Idaho Manufacturing Co., Inc.
Aug. 22 (letter of notification) 2,000 shares of class A stock (par $15), $170,000 of 6% subordinated debentures and 2,000 shares of class B stock (par $15) to be offered first to stockholders. Price—$15 per share for class A and $100 per unit to stockholders (each unit consisting of $85 of debentures and one class B share). Proceeds—For expenses of setting up production and distribution; manufacturing and operating expenses and for operating capital. Office—210 North 30th, P. O. Box 5070, Boise, Ida. Underwriter—First Idaho Corp., Boise, Ida.

Idaho Power Co. (10/14)
Sept. 17 filed $15,000,000 of first mortgage bonds due 1988. Proceeds—To reduce bank loans. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith; Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). Bids—To be received up to 11:30 a.m. (EDT) on Oct. 14 at Bankers Trust Co., 16 Wall St., New York 15, N. Y.

Indiana & Michigan Electric Co. (11/6)
Sept. 26 filed $20,000,000 of first mortgage bonds due Nov. 1, 1988. Proceeds—To retire bank loans used for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; The First Boston Corp.; Harriman Ripley & Co. Inc. Bids—Expected to be received up to 11 a.m. (EST) on Nov. 6.

Industrial Minerals Corp., Washington, D. C.
July 24 filed 600,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—To develop and operate graphite and mica properties in Alabama. Underwriters—Dearborn & Co. and Carr-Rigdom & Co., both of Washington, D. C., on a best efforts basis.

★ **Industrial Plywood Co., Inc.**
Sept. 29 (letter of notification) 37,100 shares of common stock (par 25 cents) to be issued to stockholders upon exercise of warrants, expiring at 3 p.m. Dec. 31, 1958 to purchase 21,200 shares in units of 1.06 shares at $5 per unit, and 15,900 shares in units of 1.06 shares at $3 per unit. Proceeds—For working capital and general funds. Office—105-15 180th Street, Jamaica 33, N. Y. Underwriter—None.

Industro Transistor Corp. (N. Y.)
Feb. 28 filed 150,000 shares of common stock (par 10 cents). Price—To be related to the market price. Proceeds—For working capital and to enlarge research and development department. Underwriter — S. D. Fuller & Co., New York. Offering—Being held in abeyance.

★ **International Harvester Credit Corp. (10/29)**
Oct. 9 filed $50,000,000 of 21-year debentures, series A, due 1979. Price — To be supplied by amendment. Proceeds—For purchase of receivables and to reduce short-term borrowings. Underwriters—Morgan Stanley & Co., Glore, Forgan & Co. and William Blair & Co.

Itek Corp.
Sept. 15 (letter of notification) 9,340 shares of common stock (par $1) to be offered for subscription by common stockholders on basis of one share for each 12 shares held. Unsubscribed shares to be sold to certain stockholders. The offering will be made sometime in October. Price—$30 per share. Proceeds — For working capital and acquisition of a plant site. Office—1605 Trapelo Rd., Waltham, Mass. Underwriter—None.

● **Kentucky Jockey Club, Inc., Louisville, Ky.**
Sept. 26 filed $2,300,000 of 6% first mortgage bonds due 1973, and 230,000 shares of common stock (par $1) to be offered in units of $100 of bonds and 10 common shares (5 of which will not be separately transferable from the bonds to which they pertain prior to Dec. 1, 1959). Price—To be supplied by amendment (reported to be about $112.50 per unit). Proceeds — For completion of the Latonia plant, and for general corporate purposes. Underwriters — The Kentucky Co., Louisville, Ky., and Scherck, Richter Co., St. Louis, Mo.

★ **Kerr-McGee Oil Industries, Inc.**
Oct. 6 filed 2,260 participations in the company's Thrift Plan and 710 participations in the company's Savings Plan (together with 74,167 shares of Kerr-McGee common stock which may be purchased pursuant to such plans), to be offered for subscription by employees of Kerr-McGee and General Asphalts, Inc., and Lake Asphalt & Petroleum Co.

Kinsman Manufacturing Co., Inc.
Aug. 25 (letter of notification) 1,482 shares of common stock (no par). Price — $100 per share. Proceeds — To pay off short-term obligations and to improve working capital. Office—90 Mill St., Laconia, N. H. Underwriter—None.

Laclede Gas Co.
June 18 filed $10,000,000 of first mortgage bonds due 1983. Proceeds—To refund 4⅞% first mortgage bonds due 1982. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Blyth & Co., Inc.; Lehman Brothers, Merrill Lynch, Pierce, Fenner & Smith and Reinholdt & Gardner (jointly); Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. Bids—Had been expected to be received up to 11 a.m. (EDT) on July 8, but offering has been postponed indefinitely.

Laughlin Alloy Steel Co., Inc.
Aug. 28 filed $500,000 of 6% subordinated callable debentures due June 30, 1968, and 150,000 shares of common stock (par 10 cents) to be offered in units of $100 of debentures and 30 common shares. Price—$100 per unit. Proceeds—Together with a $175,000 mortgage loan from the American Brake Shoe Co., will be used to meet expenditures in acquiring latter company's South San Francisco foundry and for working capital. Offices—Las Vegas, Nev., and South San Francisco, Calif. Underwriter—Sam Watson Co., Inc., Little Rock, Ark., on a best efforts basis.

Leader-Cleveland Realty Associates, N. Y.
July 16 filed $1,280,000 of participations in partnership interests. Price—$10,000 per participation. Proceeds—To purchase the Leader Building in Cleveland, Ohio. Underwriter—None.

Life Insurance Securities Corp.
March 28 filed 1,000,000 shares of capital stock (par $1). Price—$5 per share. Proceeds—To acquire stock control of "young, aggressive and expanding life and other insurance companies and related companies and then to operate such companies as subsidiaries." Underwriter—First Maine Corp., Portland, Me.

Long Island Casualty Insurance Co.
Sept. 29 filed 100,000 shares of capital stock (par $2.50) to be offered for subscription by holders of the company's presently outstanding 55,975 shares. Price—$6 per share. Proceeds—To be added to capital funds. Office—Garden City, L. I., N. Y. Underwriter—None.

★ **Los Angeles Drug Co.**
Oct. 3 filed 50,000 shares of capital stock, to be offered for subscription by holders of outstanding stock, on a pro rata basis. Any shares not so sold will be offered on an exchange basis to holders of outstanding 5% sinking fund debentures. Price—$10.50 per share to stockholders; $11.50 to public. Proceeds—$328,300 to redeem outstanding 5% sinking fund debentures and $189,200 to reduce short term bank loans. Office—Los Angeles, Calif. Underwriter—Quincy Cass Associates, Los Angeles, Calif.

Lowell Gas Co., Lowell, Mass.
Aug. 28 filed 15,400 shares of common stock (par $25). Of this stock, 12,000 shares are being offered in behalf of the issuing company and 3,400 shares by American Business Associates, present owner of 68,173 (98.86%) of the 68,962 outstanding shares. The 12,000 shares are being offered for subscription by existing stockholders at the rate of two new shares for each 11 shares owned as of Sept. 17; rights to expire on Oct. 10. The parent will not exercise its rights to its pro rata share. Price—$45 per share. Proceeds—Together with other funds, will be applied to pay short-term construction notes payable to banks, and any balance will be applied to reimburse the company for expenditures made for property additions. Underwriter—F. L. Putnam & Co., Inc., Boston, Mass.

LuHoc Mining Corp.
Sept. 29 filed 350,000 shares of common stock. Price—$1 per share. Proceeds — For the acquisition of properties under option and for various geological expenses, test drilling, purchase of equipment, and other similar purposes. Offices—Wilmington, Del., and Emporium, Pa. Underwriter—None.

★ **M. C. A. Credit Co., Inc., Miami, Fla.**
Oct. 6 filed 100,000 shares of common stock. Price—$5 per share. Proceeds—To reduce current indebtedness to Walter E. Heller & Co. Underwriter—Plymouth Bond & Share Corp., Miami, Fla.

● **Magna Investment & Development Corp. (10/13-14)**
May 26 filed 56,000 shares of common stock and $500,000 of 6% convertible debentures. Price—For debentures, at par (in $1,000 units); and for common stock, $4.50 per share. Proceeds—For contractual obligations, for working capital, and other general corporate purposes. Business — To engage primarily in the development and operation of various properties, including shopping centers. Office—Salt Lake City, Utah. Underwriter—J. A. Hogle & Co., Salt Lake City, Utah.

Mairs & Power Fund, Inc., St. Paul, Minn.
Aug. 6 filed 40,000 shares of common stock. Price—At market. Proceeds—For investment. Office—1002 First National Bank Bldg., St. Paul, Minn.

Martin Co., Baltimore, Md.
June 11 filed $25,000,000 of sinking fund debentures, due July 1, 1978. Proceeds — Working capital and general corporate purposes. Price—To be supplied by amendment. Underwriter—Smith, Barney & Co., N. Y. Offering, which was expected on July 2, has been postponed. Issue to remain in registration.

Mason Mortgage & Investment Corp.
Aug. 20 filed $6,000,000 of warranty and repurchase agreements and 5,000 shares of cumulative preferred stock, 6% dividend series, the latter shares to be offered principally to holders of whole mortgage notes and related warranty agreements, although the company reserves the right to offer such stock to others. Price—For preferred stock, at par ($200 per share). Proceeds—To be used principally for the purchase of additional mortgage notes for resale to others. Office—2633 15th Street, N. W., Washington, D. C. Underwriter—None.

Mayfair Markets
March 24 (letter of notification) 5,000 shares of 6% cumulative preferred stock (par $50) and 5,000 shares of common stock (par $1) to be offered in units of one share of preferred and one share of common stock. Price—$60 per unit. Proceeds—For working capital. Office—4383 Bandini Blvd., Los Angeles, Calif. Underwriter—None.

● **Mid-West Durex Co., Kansas City, Mo.**
July 14 filed 725,000 shares of common stock (par $1). Price—$2 per share. Proceeds—For construction of plant

and for working capital. **Underwriter**—Investment Sales, Inc., 532 Alameda Ave., Denver 9, Colo. Statement effective Sept. 29.

Midwest No-Joint Concrete Pipe Co.
Aug. 22 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For working capital. **Address**—P. O. Box 550, Rocky Ford, Colo. **Underwriter**—IAI Securities Corp., Englewood, Colo.

Minerals Consolidated, Inc., Salt Lake City, Utah
Aug. 29 filed 1,000,000 units, each consisting of one share of common stock (par 10 cents) and two warrants to purchase one common share. **Price**—$1 per unit. **Proceeds**—For drilling, exploration and development of oil and gas properties. **Underwriter**—None. Stop order proceedings instituted by SEC on Oct. 6.

Montana Power Co.
July 1 filed $20,000,000 of first mortgage bonds due 1988. **Proceeds** — Together with other funds, to be used to repay $15,500,000 in bank loans and to carry on the company's construction program through 1959. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Kidder Peabody & Co., Smith, Barney & Co. and Blyth & Co., Inc. (jointly). **Bids**—Had been expected to be received up to noon (EDT) on Aug. 26 at Room 2033, Two Rector St., New York, N. Y., but company on Aug. 22 again decided to defer sale pending improvement in market conditions.

Montana Power Co.
July 1 filed 100,000 shares of common stock (no par). The stock will be offered only to bona fide residents of Montana. **Price**—To be related to the current market price on the New York Stock Exchange. **Proceeds**—Together with other funds, to carry on the company's construction program through 1959. **Manager-Dealers** — Smith, Barney & Co., Kidder, Peabody & Co. and Blyth & Co., Inc.

★ Moore Telephone System, Inc.
Oct. 1 (letter of notification) 12,000 shares of 6% cumulative preferred stock and 3,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—201 Montague Ave., Caro, Mich. **Underwriter**—None.

★ Mortgage Service Corp. of Pittsburgh
Sept. 29 (letter of notification) $250,000 of 6% debentures due Nov. 1, 1968. **Price**—At par. **Proceeds**—For general corporate purposes. **Office**—2404 Grant Bldg., Pittsburgh 19, Pa. **Underwriter**—None.

Motion Picture Investors Inc.
July 11 filed 200,000 shares of common stock (par $1). **Price**—$10.75 per share. **Proceeds**—For investment. **Office**—1000 Power & Light Bldg., Kansas City, Mo. **Underwriter**—None.

Mountain States Telephone & Telegraph Co.
Sept. 3 filed 700,961 shares of capital stock being offered for subscription by stockholders of record Sept 26, 1958 at rate of one new share for each five shares held; rights to expire on Oct. 24, 1958. **Price** — At par ($100 per share). **Proceeds** — To repay advances from American Telephone & Telegraph Co., the parent; and for general corporate purposes. **Underwriter**—None. **Control**—The parent owns over 80% of the 3,504,809 outstanding shares.

Municipal Investment Trust Fund, Inc. (N. Y.)
May 9, 1957 filed 5,000 units of undivided interests in Municipal Investment Trust Fund, Series A. **Price**—At market. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., New York.

National Beryl & Mining Corp., Estes Park, Colo.
May 16 (letter of notification) 2,916,000 shares of nonassessable common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Underwriter**—Birkenmayer & Co., Denver, Colo.

National Educators Finance Corp.
June 4 (letter of notification) 50,000 shares of common stock. **Price**—At par (50 cents per share). **Proceeds**—To train and procure persons to implement and carry out the projected plan of development and operation. **Office**—1406 Pearl St., Boulder, Colo. **Underwriter**—Western Securities Co., Boulder, Colo.

• National Shares Corp. (10/15)
Sept. 26 filed 540,000 additional shares of capital stock (par $1) to be offered for subscription by stockholders at rate of one new share for each two shares held as on Oct. 15, 1958 (with an oversubscription privilege); rights to expire on Oct. 29, 1958. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Business** — A diversified management investment company of the closed-end type. **Underwriter**—None.

★ Naylor Engineering & Research Corp.
Sept. 29 (letter of notification) 300,000 shares of cumulative voting and non-assessable common stock. **Price**—At par ($1 per share). **Proceeds**—For organizational expenses and first three months' operational expenses. **Office**—1250 Wilshire Blvd., Los Angeles 17, Calif. **Underwriter**—Waldron & Co., San Francisco 4, Calif.

• Nebraska Consolidated Mills Co., Omaha, Neb.
Sept. 9 filed 49,423 shares of common stock (par $10) to be offered for subscription by common stockholders at rate of one new share for each eight shares held as of Oct. 10, 1958 (with an oversubscription privilege); rights to expire on Oct. 29. **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Underwriter**—None.

Nedow Oil Tool Co.
May 5 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—To pay loan; to acquire fishing tools for leasing; and for working capital. **Office**—931 San Jacinto Bldg., Houston, Tex. **Underwriter**—T. J. Campbell Investment Co., Inc., Houston, Tex.

North Carolina Telephone Co.
June 19 (letter of notification) 207,143 shares of common stock to be offered to common stockholders at the ratio of one share for each six shares held. **Price**—At par ($1 per share). **Proceeds**—To pay off obligations and for telephone plant construction. **Underwriter**—None.

Northwest Gas & Oil Exploration Co.
Aug. 22 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For acquisition of additional gas and oil interests and corporate administrative expenses. **Office**—150 Broadway, New York 38, N. Y. **Underwriter** — Greenfield & Co., Inc., New York 5, N. Y.

Oak Ridge, Inc.
Sept. 4 (letter of notification) 100,000 shares of common stock (par $1). **Price** — $3 per share. **Proceeds** — For working capital. **Office**—11 Flamingo Plaza, Hialeah, Fla. **Underwriter** — Henry & Associates, Inc., 11 Flamingo Plaza, Hialeah, Fla.

★ Okemo Mountain, Inc., Ludlow, Vt.
Sept. 29 (letter of notification) 2,444 shares of common stock. **Price**—At par ($10 per share). **Proceeds** — To develop Mt. Okemo Mountain, Inc. as a ski resort area. **Underwriter**—None.

O. T. C. Enterprises Inc.
March 6 (letter of notification) 23,200 shares of common class B stock (par $1). **Price**—$5 per share. **Proceeds**—For completion of plant plans; land; construction and operating expenses. **Office**—2502 N. Calvert St., Baltimore 18, Md. **Underwriter**—Burnett & Co., Sparks, Md.

Oxford Paper Co., New York (10/15)
Sept. 25 filed $10,000,000 of convertible subordinated debentures due Oct. 1, 1978. **Price**—To be supplied by amendment. **Proceeds**—For capital improvements programs for the years 1959-1962 inclusive. **Underwriter**—Blyth & Co., Inc., New York.

Pauley Petroleum, Inc. (10/16)
Sept. 24 filed 500,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — For repayment of notes and for working capital. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Peckman Plan Fund, Inc., Pasadena, Calif.
May 19 filed 20,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Underwriter**—Investors Investments Corp., Pasadena, Calif.

Peerless Weighing & Vending Machine Corp.
June 27 (letter of notification) a maximum of 25,000 shares of common stock (par $1) to be offered to minority stockholders on the basis of one new share for each four shares held. Any unsubscribed shares will be purchased by Rock-Ola Mfg. Corp. Warrants expire 20 days from date of issuance. **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—800 N. Kedzie Ave., Chicago 51, Ill. **Underwriter**—None.

Pennroad Corp.
Sept. 12 filed 1,286,619 shares of common stock (par $1) being offered for subscription by common stockholders of record Oct. 1, 1958 on the basis of one new share for each four shares held (with an oversubscription privilege); rights to expire Oct. 15. **Price**—$16.25 per share. **Proceeds**—For additional investments and general corporate purposes. **Change in Name**—The corporation's name to be changed to Madison Fund, Inc. **Underwriter**—Kuhn, Loeb & Co., New York.

• Penn-Texas Corp. (10/16)
Sept. 25 filed 1,488,438 shares of common stock (par $1 to be offered for subscription by common stockholders at the rate of one new share for each three shares held as of Oct. 15, 1958; rights to expire on Oct. 31, 1958. **Price**—To be supplied by amendment. **Proceeds**—To be used to buy from Robert H. Morse, Sr., 297,231 common shares of Fairbanks, Morse & Co. **Underwriter**—Bear, Stearns & Co., New York.

Pennsylvania Power Co.
Aug. 1 filed $8,000,000 of first mortgage bonds due 1988. **Proceeds**—To redeem a like amount of 5% first mortgage bonds due 1987. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers, Eastman Dillon, Union Securities & Co., Salomon Bros. & Hutzler and Ladenburg, Thalmann & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Dean Witter & Co. (jointly). **Bids** — Tentatively had been expected to be received up to 11 a.m. (EDT) on Aug. 27 but company on Aug. 22 decided to defer sale pending improvement in market conditions.

• Peoples Gas Light & Coke Co.
Sept. 12 filed 447,346 shares of capital stock (par $25) being offered for subscription by stockholders of record Oct. 2, 1958 at rate of one new share for each 11 shares held; rights to expire on Oct. 20, 1958. **Price**—$41 per share. **Proceeds**—To repay bank loans, for advances to or additional equity investment in subsidiaries and for construction program. **Underwriters**—Glore, Forgan & Co. and The First Boston Corp., both of New York.

Perrine Industries, Inc., Miami, Fla. (11/10-14)
Sept. 23 filed 150,000 shares of class A common stock (par $1), of which 125,000 shares are to be sold for account of company and 25,000 shares for selling stockholders. **Price**—$4 per share. **Proceeds**—$150,000 for expansion of business of Glass Arts, Inc., a subsidiary; $100,000 for reduction of indebtedness; and the balance for general corporate purposes. **Underwriters**—Charles Plohn & Co., New York; Plymouth Bond & Share Corp., Miami, Fla.; and Clayton Securities Corp., Boston, Mass.

Pioneer Telephone Co., Waconia, Minn.
Sept. 10 (letter of notification) 3,000 shares of 5¼% series F cumulative preferred stock. **Price**—At par ($100 per share). **Proceeds**—For expansion and improvements. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

★ Plainview Country Club, Inc.
Sept. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To acquire land and for construction of swimming pools and lockers and other uses. **Office**—Plainview, Long Island, New York. **Underwriter**—Sano & Co., New York, N. Y.

Policy Advancing Corp.
March 25 (letter of notification) 30,250 shares of common stock (par $5) to be offered for subscription by common stockholders at the rate of one new share for each share held; unsubscribed shares to be offered to debenture holders and to others. **Price**—$8 per share. **Proceeds**—For working capital. **Office**—27 Chenango St., Binghamton, N. Y. **Underwriter**—None.

Ponce de Leon Trotting Association, Inc.
Aug. 7 filed 400,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—To pay current liabilities, for new construction and working capital. **Office**—Bayard, Fla. **Underwriter**—Robert L. Ferman Co., Inc., Miami, Fla.

Prairie Fibreboard Ltd.
Aug. 18 filed 209,993 shares of common stock (par $1.50) to be offered for sale to residents of Canada in the Provinces of Manitoba, Saskatchewan and Alberta and to residents of the United States "only in the State of North Dakota." **Price** — $3 per share. **Proceeds** — For construction purpose. **Office** —Saskatoon, Saskatchewan, Canada. **Underwriter**—Allied Securities Ltd., and United Securities, Ltd., both of Saskatoon, Canada.

• Precise Development Corp. (10/15)
Sept. 8 (letter of notification) 60,000 shares of 20-cent convertible preferred stock (par $1) and 60,000 shares of common stock (par 25 cents) to be offered in units of one share of preferred stock and one share of common stock. **Price**—$5 per unit. **Proceeds**—To reduce outstanding bank loans and for general working capital, etc. **Office** — 2 Neil Court, Oceanside, Long Island, N. Y. **Underwriter**—R. A. Holman & Co., Inc., 54 Wall St., New York, N. Y.

Preferred Risk Life Insurance Co.
Sept. 8 filed 250,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To increase capital and surplus. **Office**—Colorado Springs, Colo. **Underwriter**—None.

• Private Enterprise, Inc., Wichita, Kansas
May 5 filed 125,000 shares of common stock. **Price**—$10 per share. **Proceeds** — To be used to organize, or reorganize and then operate companies in foreign nations, principally, but not exclusively, in the Far East, Near East and Africa. **Underwriter**—None. Statement effective Sept. 24.

Puget Sound Power & Light Co. (10/29)
Sept. 26 filed $15,000,000 of debentures due Nov. 1, 1983. **Proceeds**—To reduce bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Lehman Brothers (jointly); Merrill Lynch, Pierce, Fenner & Smith; Stone & Webster Securities Corp., The First Boston Corp. and Smith, Barney & Co. (jointly). **Bids**—To be received up to noon (EST) on Oct. 29 at 90 Broad St., 19th Floor, New York 6, N. Y.

Rassco Financial Corp.
June 26 filed $1,000,000 of 15-year 6% series A sinking fund debentures due 1973, to be offered in denominations of $500 and $1,000. **Price**—At par. **Proceeds**—For working capital and general corporate purposes. **Underwriter**—Rassco Israel Corp., New York, on a "best efforts" basis.

★ Remo Corp., Orlando, Fla.
Sept. 22 filed 100,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriter** — Citrus Securities Co., Orlando, Fla.

Reynolds Engineering & Supply, Inc.
Aug. 22 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For working capital. **Office**—2118 N. Charles St., Baltimore 18, Md. **Underwriter**—L. L. Bost Co., Baltimore, Md.

Richwell Petroleum Ltd., Alberta, Canada
June 26 filed 1,998,716 shares of common stock (par $1). Of this stock, 1,174,716 shares are to be sold on behalf of the company and 824,000 shares for the account of certain selling stockholders. The company proposes to offer the 1,174,716 shares for subscription by its shareholders at the rate of one new share for each three shares held (with an oversubscription privilege). The subscription period will be for 30 days following issuance of subscription rights. **Price**—To be supplied by amendment. **Proceeds**—To pay off demand note, to pay other indebtedness, and the balance if any will be added to working capital. **Underwriter** — Pacific Securities Ltd., Vancouver, Canada.

Riddle Airlines, Inc., Miami, Fla.
May 15 filed 750,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriter**—James H. Price & Co., Inc., of Coral Gables, Fla., for 250,000 shares; balance on "best efforts" basis.

Rocky Mountain Quarter Racing Association
Oct. 31, 1957 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To repay outstanding indebtedness. **Office**—Littleton, Colo. **Underwriter**—R. B. Ford Co., Windover Road, Memphis, Tenn.

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Routh Robbins Investment Corp.
Sept. 22 filed $1,000,000 of 10-year 6% cumulative convertible debentures and 99,998 shares of common stock. **Price**—Of debentures, at par (in units of $100 each); and of stock, $1 per share. **Proceeds** — For investments and working capital. **Office**—Alexandria, Va. **Underwriter**—None.

● R T & E Corp., Waukesha, Wis.
Sept. 18 filed 40,740 shares of common stock (par $1). **Price**—$15 per share. **Proceeds**—To selling stockholders. **Business**—Company is engaged in the manufacture and sale of electric distribution transformers for use by electric power companies. **Underwriter**—Loewi & Co., Inc., Milwaukee, Wis. **Offering**—Expected today (Oct. 9).

★ Rural Telephone Co., Knox, Pa.
Sept. 29 (letter of notification) 3,000 shares of common stock (par $10) to be offered to stockholders on the basis of one new share for each three shares held; rights will expire on Oct. 31, 1958. **Price**—$20 per share. **Proceeds**—For installation, construction and working capital. **Underwriter**—None.

Sanborn Co., Waltham, Mass. (10/15)
Sept. 25 filed 118,530 shares of common stock (par $1), of which 100,000 shares are to be offered publicly and 18,530 shares will be offered in exchange for outstanding shares of 6% cumulative preferred stock. **Price**—To be supplied by amendment. **Business**—Manufactures electronic measurement and recording instruments. **Proceeds**—To repay $200,000 bank loans; to retire $510,000 of 5¼% notes; and the remainder will be available for general corporate purposes, particularly working capital. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston, Mass.

Scientific-Atlanta, Inc.
Sept. 11 (letter of notification) 6,500 shares of common stock (par 50 cents) to be offered for subscription by common stockholders of record Sept. 10, 1958 on the basis of one new share for each 20 shares held; rights to expire Nov. 14, 1958. **Price**—$5 per share. **Proceeds**—For working capital. **Office**—2162 Piedmont Road, N. E., Atlanta 9, Ga. **Underwriter**—None.

Scudder Fund of Canada, Ltd. (10/20-24)
Sept. 26 filed an additional 3,000,000 shares of capital stock. **Price**—At market. **Proceeds** — For investment. **Dealer-Managers**—Lehman Brothers and William Street Sales, Inc., both of New York. At end of initial distribution period (probably extending to the year end), latter will become the sole distributor of the shares.

★ Selected Risks Insurance Co.
Sept. 29 (letter of notification) 8,500 shares of capital stock (par $10) to be offered to present stockholders. **Price**—$35 per share. **Proceeds**—For general corporate purposes. **Office**—Branchville, N. J. **Underwriter**—None.

★ Service Life Insurance Co.
Sept. 26 (letter of notification) 3,567 shares of common stock (par $1). **Price**—$18.75 per share. **Proceeds**—To go to a selling stockholder. **Office**—400 W. Vickery Blvd., Fort Worth, Tex. **Underwriter**—Kay & Co., Inc., Houston, Tex.

Sheridan-Belmont Hotel Co.
Aug. 19 (letter of notification) $250,000 of 6% convertible debentures due Sept. 15, 1963 to be offered for subscription by common stockholders on a pro rata basis. **Price**—At par. **Proceeds**—For working capital. **Office** — 3172 North Sheridan Rd., Chicago 14, Ill. **Underwriter**—None.

Shop Rite Foods, Inc., Albuquerque, N. Mex.
Sept. 25 filed 35,383 shares of common stock (par $5) to be offered for subscription by stockholders at the rate of one new share for each four shares held of record Oct. 21, 1958, rights to expire on Nov. 10. **Price**—$11.50 per share. **Proceeds**—For equipment, merchandise and general corporate purposes. **Underwriters**—First Southwest Co., Dallas, Texas; and Miner, Mee & Co., Albuquerque, New Mexico.

Simplicity Pattern Co. Inc., N. Y.
Aug. 15 filed 42,500 shares of common stock (par $1). **Price**—At the market or at a price within a range not less than the bid price and not higher than the asking price quoted on the New York Stock Exchange at the time of offering. The shares will also be offered from time to time on such Exchange at a price within the foregoing range. **Proceeds**—To go to Joseph M. Shapiro, the selling stockholder. **Underwriter** — Lee Higginson Corp., New York. **Offering**—Indefinitely postponed.

South Carolina Electric & Gas Co.
Aug. 12 filed $10,000,000 first and refunding mortgage bonds due 1988. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; The First Boston Corp., and Lehman Brothers (jointly). **Bids**—Had been expected to be received up to 11:30 a.m. (EDT) on Sept. 10, at 70 Broadway, New York, N. Y., but sale has been postponed.

★ Southeastern Airways, Inc.
Oct. 2 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase additional aircraft and communications equipment and for working capital. **Address**—P. O. Box 48-1284 International Airport, 5429 N. W., 36th St., Miami, Fla. **Underwriter**—None.

★ Springfield Motor Lodge Associates, New York
Oct. 1 filed $880,000 of Participations in Partnership Interests. **Price** — $10,000 per participation. **Proceeds**—Together with other funds, will be used to pay the balance due under purchase contract, to reimburse the partners for deposits advanced by them, and to defray costs incident to acquisition of Howard Johnson's Motor Lodge in Springfield, Va. **Underwriter**—None.

Standard Oil Co. (New Jersey)
July 31 filed 11,406,078 shares of capital stock (par $7) being offered in exchange for Humble Oil & Refining Co. capital stock at rate of five Standard Oil shares for each four Humble Oil shares. The offer is expected to remain open until Oct. 14, 1958. **Exchange Agent**—Morgan Stanley & Co., New York.

★ Standard Steel Products Manufacturing Co.
Sept. 30 (letter of notification) 8,000 shares of common stock (par $2.50). **Price**—$6 per share, plus one warrant for each two shares of stock purchased. **Proceeds**—For working capital. **Office**—2836 South 16th St., Milwaukee, Wis. **Underwriter**—None.

Stanway Oil Corp.
Aug. 14 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development and operation of an oil well. **Office** — 9151 Sunset Blvd., Los Angeles 46, Calif. **Underwriter**—U. S Corporation Co., Jersey City, N. J.

State Life, Health & Accident Insurance Co.
July 9 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To be invested in stocks and bonds and to acquire other life insurance companies. **Address**—P. O. Box 678, Gulfport, Miss. **Underwriter**—Gates, Carter & Co., Gulfport, Miss.

Strategic Minerals Corp. of America, Dallas, Tex.
March 31 filed $2,000,000 of first lien mortgage 6% bonds and 975,000 shares of common stock (par 10 cents). **Price**—For bonds, 95% of principal amount; and for stock $3 per share. **Proceeds**—To erect and operate one or more chemical processing plants using the Bruce - Williams Process to beneficiate manganese ores. **Underwriter**—Southwest Shares, Inc., Austin, Texas.

Strouse, Inc.
July 29 (letter of notification) 26,850 shares of common stock (par 10 cents) to be issued upon exercise of warrants. **Price**—$1 per share. **Office**—Main & Astor Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Inc., Philadelphia, Pa.

Tennessee Gas Transmission Co.
Sept. 11 filed 467,098 shares of common stock (par $5) to be offered in exchange for outstanding capital stock (5,766.633 shares) of Hartol Petroleum Corp. on the basis of 81 shares of Tennessee Gas stock for each Hartol share.

★ Tenney Engineering, Inc., New York (10/27-31)
Oct. 2 filed 25,000 shares of common stock (par 10 cents) and $500,000 of 6% convertible subordinated debentures due Nov. 1, 1968. **Price**—To be supplied by amendment. **Proceeds** — To retire outstanding bank loans, to cancel notes and for general corporate purposes. **Underwriter**—Milton D. Blauner & Co., Inc., New York.

★ Texas Electric Service Co. (10/28)
Oct. 2 filed $10,000,000 of first mortgage bonds due 1988. **Proceeds**—Together with other funds, will be used for construction program, and other corporate purposes, including the repayment of $1,600,000 borrowed from Texas Utilities Co. (parent company). **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Kuhn, Loeb & Co., Blyth & Co., Inc. and Lehman Brothers (jointly); Eastman Dillon, Union Securities & Co. **Bids**—To be received up to noon (EST) on Oct. 28, in Room 2003, Two Rector St., New York 6, N. Y.

★ Texas Electric Service Co. (10/28)
Oct. 2 filed 80,000 shares of cumulative preferred stock (no par). **Proceeds**—Together with other funds, will be used for construction program, and other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Glore, Forgan & Co.; Harriman Ripley & Co., Inc., and Stone & Webster Securities Corp. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Kuhn, Loeb & Co., Blyth & Co., Inc., Lehman Brothers and Salomon Bros. & Hutzler (jointly); Eastman Dillon, Union Securities & Co. **Bids**—To be received up to noon (EST) on Oct. 28, in Room 2003, Two Rector St., New York 6, N. Y.

Thomas Paint Products Co.
May 26 (letter of notification) 1,250 shares of common stock (par $10) and $37,500 of 6% serial subordinated debentures series 1958, to be offered in units of one share of stock and $50 principal amount of debentures to be offered to stockholders on the basis of one unit for each two shares of stock owned (500 of the shares are being offered to the President of the company). **Price**—$60 per unit. **Proceeds**—For working capital. **Office**—543 Whitehall St., S. W., Atlanta, Ga. **Underwriter**—None.

Timeplan Finance Corp.
March 25 (letter of notification) 27,272 shares of 70-cent cumulative preferred stock (par $5) and 27,272 shares of common stock (par 10 cents) to be offered in units of one share to each class of stock. **Price**—$11 per unit **Proceeds** — For working capital. **Office** — 111 E. Main St., Morristown, Tenn. **Underwriter**—Valley Securities Corp., Morristown, Tenn.

Tip Top Oil & Gas Co., Salt Lake City, Utah
April 15 filed 220,000 shares of common stock, of which 200,000 shares are to be publicly offered. **Price**—$5 per share. **Proceeds**—To drill two new wells and for general corporate purposes. **Underwriter** — Andersen-Randolph & Co., Inc., Salt Lake City, Utah

Trans-America Uranium Mining Corp.
Nov. 6, 1957 filed 3,000,000 shares of common stock (par one mill). **Price**—25 cents per share. **Proceeds**—For land acquisition, exploratory work, working capital, reserves and other corporate purposes. **Underwriter**—None. Alfred E. Owens of Waterloo, Ia., is President.

★ Trans Caribbean Airways, Inc. (N. Y.)
Oct. 6 filed $1,100,000 of 5½% convertible subordinated debentures, due Oct. 1, 1968. **Price**—100% of pirncipal amount. **Proceeds**—To be added to the general funds of the company to replenish working capital expended in the acquisition of aircraft. **Underwriter**—None.

Transcontinental Gas Pipe Line Corp. (10/16)
Sept. 24 filed 600,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—For repayment of outstanding notes and for construction program. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., both of New York.

Trans-Eastern Petroleum Inc.
Feb. 27 (letter of notification) 7,500 shares of common stock (par $1) to be offered pro-rata to stockholders on the basis of one new share for 10 shares owned. **Price**—$4 per share. **Proceeds**—For drilling for oil and gas **Office**—203 N. Main Street, Coudersport, Pa. **Underwriter**—None.

Tricon, Inc.
Aug. 8 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To pay expenses and cost of plant option; for first year's payment on instalment purchase contract for land and improvements; for construction of plant, tools and equipment; advertising and working capital. **Office** — 540 Steamboat Rd., Greenwich, Conn. **Underwriter**—Sano & Co., New York, N. Y.

Triton Corp., Newark, N. J.
Aug. 1 filed $1,600,000 of 5% debentures due 1973, 4,000 shares of 6% preferred stock (par $100) and 48,000 shares of common stock (par $1) to be offered in units of $8,000 of debentures, 20 shares of preferred stock and 240 shares of common stock. **Price**—$10,240 per unit. **Proceeds**—To acquire, own and operate interests in producing oil and gas properties. **Underwriter**—None. **Office**—11 Commerce Street, Newark, N. J. Timothy H. Dunn is President.

Tungsten Mountain Mining Co.
Aug. 11 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To extinguish present indebtedness, increase reserve for contingencies and working capital. **Office**—511 Securities Bldg., Seattle 1, Wash. **Underwriter**—H. P. Pratt & Co., 807 Hoge Bldg., Seattle 4, Wash.

Twentieth Century Investors, Inc., Kansas City, Mo.
June 20 filed 2,000,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Underwriter**—Stowers & Co., Kansas City, Mo.

Twentieth Century Investors Plan, Kansas City, Mo.
June 20 filed $10,000,000 of plans for the accumulation of shares of Twentieth Century Investors, Inc. **Price**—At market. **Proceeds** — For investment. **Underwriter**—Stowers & Co., Kansas City, Mo.

● Union Finance Corp., Tampa, Fla. (10/20-24)
Sept. 26 filed $500,000 of 6% 20-year sinking fund convertible capital debentures due Oct. 15, 1978. **Price** — 100% and accrued interest. **Proceeds**—To be added to the general funds of the company and initially used to reduce bank loans and short term notes. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla.

★ United Cities Gas Co. (10/21)
Sept. 26 (letter of notification) 30,000 shares of 6% cumulative convertible preferred stock, 1958 series. **Price**—At par ($10 per share). **Proceeds**—To pay redemption price of outstanding preferred stock and for expansion and working capital. **Office** — Room 938, Merchandise Mart, Chicago 54, Ill. **Underwriter** — Eastman Dillon, Union Securities & Co., Inc., New York, N. Y.

United Employees Insurance Co.
April 16 filed 2,000,000 shares of common stock (par $5). **Price** — $10 per share. **Proceeds** — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. **Office** — Wilmington, Del. **Underwriter**—None. Myrl L. McKee of Portland, Ore., is President.

★ United Funds Inc., Kansas City, Mo.
Oct. 6 filed (by amendment) an additional $20,000,000 of Periodic Investment Plans without insurance and an indeterminate number of underlying shares of United Accumulative Fund and $1,000,000 of Periodic Investment Plans with insurance and an indeterminate number of underlying shares of United Accumulative Fund. **Price**—At market. **Proceeds**—For investment.

United Security Life & Accident Insurance Co.
Aug. 22 filed 120,000 shares of class A common stock. **Price**—$3 per share. **Proceeds**—To provide the reserves required to be held in life and accident insurance policies, and to pay the necessary expenses in producing insurance. **Office**—Louisville, Ky. **Underwriter**—None. Edmond M. Smith, is President.

U. S. Land Development Corp.
Aug. 15 filed 1,200,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To be added to the company's general funds and used to develop Pineda Island near Mobile, Ala. **Office**—Fort Lauderdale, Fla. **Underwriter**—Palm Beach Investment Co., Inc., 308 South County Road, Palm Beach, Fla.

Universal Oil Recovery Corp., Chicago, Ill.
June 4 filed 37,500 shares of class A common stock. **Price**—$4 per share. **Proceeds**—For exploration and development of properties, and the balance for other corporate purposes. **Underwriter**—None.

Uranium Corp. of America, Portland, Ore
April 30, 1957 filed 1,250,000 shares of common stock (par 16 cents). **Price**—To be supplied by amendment (expected to be $1 per share). **Proceeds**—For exploration purposes. **Underwriter**—To be named by amendment. Graham Albert Griswold of Portland Ore., is President.

Utah Minerals Co.
April 11 (letter of notification) 900,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—305 Main St., Park City Utah **Underwriter**—Walter Sondrup & Co., Salt Lake City, Utah.

Utah Oil Co. of New York, Inc.
May 6 (letter of notification) 300,000 shares of capital stock **Price** — At par ($1 per share). **Proceeds** — For development of oil and gas lands. **Office**—574 Jefferson Ave., Rochester 11, N. Y. **Underwriter**—Frank P. Hunt & Co., Inc., Rochester, N. Y.

Utah Power & Light Co.
June 26 filed $20,000,000 of first mortgage bonds due 1988. **Proceeds**—To redeem $15,000,000 of first mortgage bonds, 5¼% series due 1987, to repay $4,000,000 of bank borrowings, and the balance together with further borrowings under a bank agreement and cash generated in the business will be used to carry forward the construction program of the company and its subsidiaries amounting to approximately $43,000,000 for the period 1958-1960. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co Inc.; First Boston Corp. and Blyth & Co. Inc. (jointly). White, Weld & Co. and Stone & Webster Securities Corp (jointly); Salomon Brothers & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co., and Smith, Barney & Co. (jointly). **Bids**—Were to have been received in Room 2033, 2 Rector Street, New York, N. Y., up to noon (EDT) on Sept. 9, but were postponed on Sept. 3. Bids will now be received on such day subsequent to Sept. 22, 1958 but not later than Nov. 25, 1958 as shall be designated by company.

★ Vendo Co.
Sept. 29 (letter of notification) 14,000 shares of common stock (par $2.50) to be offered to certain employees under the Stock Option and Installment Purchase Plan. **Price**—$11.11 per share, or 85% of market price at grant of option. **Proceeds**—For working capital. **Office**—7400 E. 12th St., Kansas City, Mo. **Underwriter**—None.

Weingarten (J.), Inc., Houston, Texas (10/15)
Sept. 22 filed $3,000,000 of sinking fund debentures due Oct. 1, 1978. **Price**—To be supplied by amendment. **Proceeds**—To repay outstanding indebtedness and for expansion of supermarket chain and related facilities. **Underwriters**—White, Weld & Co., New York; and Moroney, Beissner & Co., Houston, Texas.

Weingarten Markets Realty Co. (10/13-17)
Sept. 19 filed $1,600,000 of 6% sinking fund debentures, due Nov. 1, 1978, and 50,000 shares of common stock (par $1). The offering of the common stock will be subject to the right of certain stockholders to subscribe for a total of 9,410 shares at the rate of one new share for each four shares held. [Stockholders who have right to subscribe for remaining 40,590 shares have waived such right.] **Price**—To be supplied by amendment. **Proceeds**—To discharge bank loans and other indebtedness, and the balance will be used for further property acquisitions and development and other regular corporate purposes. **Underwriter**—Moroney, Beissner & Co., Houston, Texas.

• Western Carolina Telephone Co.
June 6 filed 89,391 shares of common stock to be offered for subscription by holders of outstanding common stock at the rate of one new share for each three shares held. The record date is to be supplied by amendment. **Price**—At par ($5 per share). **Proceeds**—To be applied to the payment of $700,000 of short-term bank loans incurred in carrying forward the company's construction and conversion program. **Underwriter**—None Statement effective Sept. 26.

Western Industrial Shares, Inc., Denver, Colo.
July 16 filed 1,000,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For investment **Underwriter** — Andersen, Randolph & Co., Inc., 65 So Main St., Salt Lake City, Utah.

Westland Oil Co., Minot, N. Dak.
April 17 filed 7,799 shares of capital stock to be offered for subscription by stockholders of record March 24 at rate of one new share for each four shares held and one additional share for the balance of such holdings in excess of the number of shares divisible by four; also to be offered holders of outstanding 5% subordinated debentures of record March 24 at rate of five shares for each $1,000 of debentures then held. **Price** — $60 per share. **Proceeds**—For working capital **Underwriter**—None.

Willer Color Television System, Inc.
April 2 (letter of notification) 72,035 shares of common stock (par $1) of which 10,000 are to be offered to stockholders at $2 per share and the remaining 62,035 shares are to be publicly offered at $3 each. **Proceeds** — For general corporate purposes. **Office**—151 Adell Avenue Yonkers, N. Y. **Underwriter** — Edwin Jefferson, 39 Broadway, New York 6, N. Y.

Wisconsin Electric Power Co.
Sept. 3 filed 510,005 shares of common stock (par $10) being offered for subscription by holders of outstanding common at the rate of one new share for each 10 shares held as of Sept. 24, 1958 (with an oversubscription privilege); rights to expire on Oct. 14. **Price**—$29 per share. **Proceeds**—For capital expenditures. **Underwriter**—None.

Prospective Offerings

Acme Steel Co.
March 21 it was announced that the company plans additional financing this year, in the form of common stock preferred stock, or a combination of the two, including bank loans. **Proceeds**—For expansion program, working capital and inventories. **Underwriters**—Blyth & Co Inc. and Merrill Lynch, Pierce, Fenner & Smith.

Arabol Manufacturing Co., N. Y. (10/9)
Sept. 9 it was announced that bids will be received at the Department of Justice, Office of Alien Property Room 664, 101 Indiana Ave., N. W., Washington 25, D. C., by 11 a.m. (EDT) on Oct. 9, 1958, for the purchase from the Attorney General of the United States as an entirety 515.6 shares of common capital stock (par $100) and 210 shares of 6% cumulative preferred capital stock (par $100) of this company.

Arvida Corp. (Florida)
Sept. 18 it was announced by Arthur Vining Davis, former Chairman of Aluminum Co. of America, that it is planned to raise between $25,000,000 and $35,000,000 through the sale of common stock of Arvida Corp. **Price**—Expected to be about $10 or $11 per share. **Proceeds**—To develop residential communities in the near future, complete with regional shopping areas, industrial parks, utility installations and recreational facilities. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Dominick & Dominick, both of New York. **Offering**—Scheduled to begin within the next two months. **Registration** — Expected in the near future.

Austria (Republic of)
July 15 it was announced that the country contemplates the issuance and sale of $30,000,000 bonds. **Proceeds**—For electric power projects and other improvements. **Underwriter**—May be Kuhn, Loeb & Co., New York. **Offering**—Expected in October or early November.

Bank of New York
Sept. 30 stockholders approved a proposal to increase the capital stock by 110,000 shares to a total of 270,000 shares. The bank will issue 80,000 shares as a 50% stock dividend and offer to stockholders the right to subscribe for the remaining 30,000 shares in the ratio of one new share for each eight shares held after giving effect to the stock distribution. **Price**—To be determined by trustees at a later date. **Proceeds**—To increase capital and surplus. **Underwriter**—Morgan Stanley & Co., New York.

California Electric Power Co.
July 14 it was announced company contemplates marketing between $5,000,000 and $7,000,000 securities in October, 1958. Neither the exact date of the offering nor the nature of the securities to be offered has been determined. **Proceeds**—To repay bank loans.

Central Electric & Gas Co.
Sept. 11 the company applied to the Nebraska Railway Commission for authority to sell up to 100,000 shares of common stock (par $3.50) and up to $3,000,000 convertible debentures. **Underwriters** — Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.

Commonwealth Edison Co.
Aug. 25 it was reported that the company may issue and sell $25,000,000 of preferred stock. **Underwriters**—May be The First Boston Corp. and Glore Forgan & Co., both of New York. **Offering**—Expected late in 1958 or during the first three months of 1959.

Denmark (Kingdom of)
Sept. 2 it was reported that an issue of between $20,000,000 to $30,000,000 may possibly be placed on the American market this year. **Underwriter**—Kuhn, Loeb & Co., New York.

Equitable Gas Co.
July 18 it was announced that the company expects later in the year to issue and sell additional securities, probably preferred stock, to secure approximately $5,000,000 of additional funds. **Proceeds**—Together with $7,000,000 from private sale of 4½% bonds, to repay short-term bank loans and for construction program. **Underwriters**—May be The First Boston Corp.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith; and White Weld & Co., all of New York.

First City National Bank
Sept. 19 it was announced Bank plans to offer to its stockholders of record Oct. 2, 1958 the right to subscribe for 125,000 additional shares of capital stock (par $20) on the basis of one new share for each 10 shares held. **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Office**—931 Main St., Houston 1, Tex.

Gas Service Co.
March 24 it was reported that company plans to issue $11,000,000 of first mortgage bonds later this year. No decision as yet has been made as to the procedure the company will follow. **Proceeds**—For repayment of short-term notes and loans and for construction program. **Underwriter** — If determined by competitive bidding, probable bidders may be Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, and White, Weld & Co. (jointly); Blyth & Co., Inc.; The First Boston Corp.; Lehman Brothers.

• Grace Line Inc.
Company plans to issue $9,000,000 of government insured bonds secured by first preferred ship mortgages on the new "Santa Paula" later in 1958. **Underwriters**—Merrill Lynch, Pierce, Fenner and Smith; Paine, Webber, Jackson & Curtis; Smith Barney & Co.; White, Weld & Co., and F. Eberstadt & Co., all of New York.

Great Atlantic & Pacific Tea Co.
Feb. 19 it was reported a secondary offering of common voting stock is expected this year. **Underwriters** — May include: Blyth & Co., Inc.; Lehman Brothers and Smith, Barney & Co.

• Hartford Electric Light Co.
Aug. 27 the directors approved a program under which it plans to issue 149,633 shares of common stock (par $25) to be offered first to common stockholders on a 1-for-10 basis; and 100,000 shares of preferred stock (par $50); and $18,000,000 of first mortgage bonds. Stockholders on Oct. 6 approved the proposal. **Underwriters**—Putnam & Co., Chas. W. Scranton & Co. and Estabrook & Co. for any preferred stock. Under previous rights offerings to common stockholders unsubscribed common stock was sold to Chas. W. Scranton & Co. **Offering**—Expected late October or early November.

Heublein, Inc.
Aug. 25 it was reported that the company plans early registration of 400,000 shares of common stock; of which 100,000 shares are to be sold for the account of selling stockholders. **Proceeds**—For expansion. **Underwriter**—Glore, Forgan & Co., New York. **Offering** — Expected sometime in October or November.

Japan (Empire of)
Aug. 20 it was stated that an issue of between $30,000,000 and $50,000,000 of bonds may soon be publicly offered on the American market. **Proceeds**—For public works projects, etc. **Underwriter**—The First Boston Corp., New York.

Kansas Gas & Electric Co.
March 31, G. W. Evans, Chairman, announced that company plans to sell some bonds originally scheduled for mid-year, but which sale may now be deferred until late 1958 or early 1959. **Proceeds**—About $8,000,000 for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers; Eastman Dillon, Union Securities & Co. and Stone & Webster Securities Corp. (jointly); Glore, Forgan & Co., and Goldman Sachs & Co. (jointly).

Kansas Power & Light Co.
Feb. 14 it was announced company plans to issue and sell $10,000,000 of first mortgage bonds due 1988. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co.; Harriman Ripley & Co. Inc.; White, Weld & Co.; Blyth & Co., Inc.; Equitable Securities Corp

Kentucky Utilities Co.
June 16 company stated it will sell bonds and/or common stock in the last quarter of 1958. **Underwriters**—For any common stock: Blyth & Co., Inc. and J. J. B. Hilliard & Son. For any bonds, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith, (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Laboratory for Electronics, Inc.
July 3, Henry W. Harding, President, announced that the directors are currently considering refinancing $790,000 of outstanding notes ($658,750 held by a principal stockholder and $131,250 by a bank) on a more permanent basis. This may be done through equity or convertible debenture financing. **Office**—75 Pitts St., Boston, Mass.

Lorillard (P.) Co.
Sept. 17 company announced it plans to offer its stockholders the right to subscribe for approximately 363,000 additional shares of common stock on the basis of one new share for each eight shares held. **Proceeds** — For general corporate purposes. **Underwriters** — Lehman Brothers and Smith, Barney & Co., both of New York. **Registration**—Expected early in November.

Master Fund, Inc., Fairfield, Calif.
Jan. 27 it was announced this newly organized investment company plans to offer to bona fide residents of California 10,000 shares of capital stock (par $1). **Price**—$10 per share, less an underwriting discount of 8½%. **Proceeds**—For investment.

Michigan Bell Telephone Co.
Aug. 12 directors approved plans to sell $40,000,000 of 34-year debentures. **Proceeds**—To redeem a like amount of 4¾% debentures due November, 1992. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Had been tentatively scheduled to be received on Sept. 16, but on Aug. 26 it was voted to postpone this refunding program because of present market conditions.

Midland Enterprises, Inc.
March 28, company announced it plans to issue on or before Dec. 31, 1958 $3,200,000 of first preferred mortgage bonds. May be placed privately. **Proceeds** — To repay bank loans and for working capital.

Midwestern Gas Transmission Co.
March 24 it was announced that this subsidiary of Tennessee Gas Transmission Co. has applied to the Federal Power Commission for permission to issue first mortgage bonds, unsecured notes and common stock. **Proceeds**—To build pipe line system to cost about $111,000,000. **Underwriters** — Stone & Webster Securities Corp. and White Weld & Co., both of New York.

Montana-Dakota Utilities Co.
March 24 it was announced the company plans to issue and sell an undetermined amount of first mortgage bonds (about $10,000,000) in the latter part of this year or in early 1959. **Proceeds** — To repay bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.,

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Inc.; Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co., Inc., (jointly); and Blair & Co., Inc.

Moore-McCormack Lines, Inc.
March 24 it was announced company plans to issue and sell $24,000,000 of government insured bonds secured by a first preferred ship mortgage on the liners S. S. Brasil and S. S. Argentina. **Underwriters**—Kuhn, Loeb & Co. and Lehman Brothers, both of New York. **Offering** — Postponed because of uncertain market conditions.

Narda Ultrasonics Corp., N. Y.
Sept. 8 it was reported that the company plans a registered secondary offering of 60,000 shares of common stock (par 10 cents). **Proceeds**—To selling stockholders. **Business**—Manufacture of ultrasonic equipment. **Control** —The company is controlled by Narda Microwave Corp., N. Y. **Underwriter** — To be named at a later date. **Registration**—Expected late in October.

New York State Electric and Gas Co.
March 7 it was announced that approximately $7,500,000 from additional financing will be required for construction expenditures for the balance of this year. The management intends to negotiate a new line of credit with a group of banks and expects to sell equity securities later this year or in early 1959, depending upon prevailing market conditions. Underwriter—For any common stock: The First Boston Corp., New York.

Norfolk & Western Ry. (10/9) (11/13) (12/18)
Bids will be received this Fall by the company for the purchase from it of $19,200,000 equipment trust certificates due from 1-to-15 years, viz: Oct. 9, $7,440,000; Nov. 13, $5,310,000; and Dec. 18, $6,450,000. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Northern Illinois Gas Co.
June 10 it was announced company will sell late this year $10,000,000 mortgage bonds but on Sept. 12 it was stated that immediate financing will not be necessary. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Glore, Forgan & Co.; Blyth & Co., Inc.

Pacific Gas & Electric Co.
March 20 it was reported company plans sale of an undetermined amount of bonds and/or preferred stock in the latter part of this year or early 1959. **Underwriter** —(1) For bonds to be determined by competitive bidding. Probable bidders: The First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; (2) For preferred stock: Blyth & Co., Inc.

Pacific Telephone & Telegraph Co. (11/18)
Aug. 22 it was announced company plans to issue and sell $80,000,000 of 32-year debentures due Nov. 1, 1990. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Nov. 18.

Pacific Telephone & Telegraph Co.
Aug. 22 it was reported company plans to offer to its common and preferred stockholders 1,594,604 additional shares of common stock on the basis of one new share for each eight common or preferred shares held. **Price** —At par ($100 per share). **Proceeds**—To repay advances and to reimburse the treasury for capital expenditures previously made. **Underwriter**—None. **Control**—Of the 832,000 shares of 6% preferred stock (par $100) and 11,936,835 shares of common stock (par $100) outstanding as of Dec. 31, 1957, there were owned by the American Telephone & Telegraph Co. 640,957 preferred shares and 10,790,943 common shares.

Panama (Republic of)
July 14 it was announced a public offering is expected of approximately $26,000,000 external bonds. **Proceeds**—To redeem certain outstanding debt and for Panama's feeder road program. **Underwriter**—Lehman Brothers, New York.

Public Service Electric & Gas Co. (12/2)
Sept. 22 it was reported that the company plans offering 700,000 additional shares of common stock, and plans to apply to the State Public Utility Commission seeking exemption from competitive bidding. **Underwriter**—May be Merrill Lynch, Pierce, Fenner & Smith.

St. Joseph Light & Power Co.
Sept. 19 it was announced that the company has deferred temporarily its plans to market $6,500,000 in bonds and/or preferred stocks. A bank credit of $6,000,000 has been arranged — in lieu of the long-term financing. **Proceeds**—For repayment of short-term bank loans and for construction program. **Underwriter**—For bonds to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Smith, Barney & Co., Glore, Forgan & Co. and Blair & Co. Inc. (jointly); White, Weld & Co.; Equitable Securities Corp. Last preferred financing was done privately.

Southeastern Fidelity Fire Insurance Co.
Aug. 26 it was announced that the company in all probability will offer additional common stock to its shareholders in the near future. **Proceeds**—To expand operations. **Office** — 197 Auburn Ave., N. E., Atlanta, Ga. **Underwriter**—None.

Southern Bell Telephone & Telegraph Co. (12/9)
Sept. 22 directors authorized the issuance of $70,000,000 of 35-year debentures to be dated Dec. 1, 1958. **Proceeds** —For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Tentatively scheduled to be received on or about Dec. 9. **Registration**—Expected in mid-November.

Southern Colorado Power Co.
May 9 stockholders authorized an additional 100,000 shares of preferred stock (par $50). **Underwriters**—Stone & Webster Securities Corp. and Paine, Webber Jackson & Curtis.

Southwestern Bell Telephone Co.
July 10 it was announced Missouri Public Service Commission authorized the company to issue $110,000,000 of 35-year debentures. **Proceeds** — To refund outstanding $100,000,000 4¾% debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Offering**—Has been postponed. Bids had been expected about Sept. 30, 1958.

• Tampa Electric Co. (10/29)
Sept. 23 it was reported that the company plans an offering of 100,000 shares of preferred stock (par $100). **Proceeds**—To repay bank loans and for construction program. **Underwriter**—Stone & Webster Securities Corp., New York.

Union Electric Co., St. Louis, Mo.
March 28 it was announced company plans to market **about $30,000,000 of common stock in the latter part of this year or in the first quarter of 1959. Proceeds**—For construction program.

Universal Oil Products Co.
Aug. 13 it was reported that an issue of common stock will soon be offered to the public, the proceeds of which may run between $50,000,000 and $60,000,000. Approval of the transaction rests with the New York State Supreme Court (expected within two months). **Proceeds**—To the Petroleum Research Fund of the American Chemical Society. **Underwriters**—Expected to be Lehman Brothers, Smith, Barney & Co. and Merrill Lynch, Pierce, Fenner & Smith, all of New York. **Offering**—Expected in November.

Venezuela (Government of)
July 1 the Government announced that Kuhn, Loeb & Co. and Kidder, Peabody & Co., both of New York, **have been selected as financial advisors to develop a financial program for the country. As a first step in the program a short-term credit is being negotiated between the government in cooperation with the two investment banking firms and a syndicate of commercial banks in the United States, Canada and the United Kingdom. The three institutions which are to head this syndicate are The Chase Manhattan Bank, The First National City Bank of New York, and Bank of America National Trust & Savings Association. The Chase Manhattan Bank will be the fiscal agent for the credit. The amount of the new financing involved is in the neighborhood of $250,000,000. The purpose is to restore government balances which have been reduced by the repayment of excessive short term obligations previously incurred.**

Virginian Ry.
Aug. 26 the directors approved a proposal to exchange 2,795,500 shares of 6% cumulative preferred stock (par $10) for $32,148,250 new 6% subordinated income sinking fund debentures to mature Aug. 1, 2008 on the basis of $11.50 principal amount of debentures for each preferred share. **Dealer-Manager**—Harriman Ripley & Co. Inc., New York.

Wisconsin Power & Light Co.
March 17 it was announced that company plans to **issue and sell $10,000,000 of first mortgage bonds. Proceeds**—To retire bank loans and for construction program. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Smith, Barney & Co. and Robert W. Baird & Co., Inc. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); White, Weld & Co., Kidder, Peabody & Co. and Salomon Bros. & Hutzler (jointly); The First Boston Corp. **Offering**—Not expected until late in 1958 or early in 1959.

Wisconsin Public Service Corp.
March 4 it was announced company plans to sell about $12,500,000 of new securities in the last half of the current year. The type of securities has not yet been decided on. Underwriter—To be determined by competitive bidding. Probable bidders: (1) For any bonds—Halsey, Stuart & Co. Inc.; White Weld & Co.; The First Boston Corp.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith; Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Kuhn, Loeb & Co., and American Securities Corp. (jointly). (2) For any preferred stock—Merrill Lynch, Pierce, Fenner & Smith; Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co., (jointly); Lehman Brothers; Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); The First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co.

Worcester Gas Light Co.
Aug. 18 it was reported that the company plans the sale of $5,000,000 first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Estabrook & Co. and Coffin & Burr, Inc. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Offering**—Expected this Fall.

Our Reporter's Report

The most heartening element in the investment market picture at the moment is the growing resiliency being shown by Treasury bonds. After several rally attempts which halted abruptly only to find the market still feeling for bottom, the emphasis now seems to have been reversed.

Nevertheless, the experienced market observer is not of a mind to jump to conclusions but rather seems willing to wait a while and permit the current situation to prove itself.

In short, he sees little reason for too much exuberance in a rally of 1½ points after the Government market's letdown of some 14 points since last April. Naturally there was strong feeling that the Treasury list had been oversold. And certainly it is indicated now that the speculative fringe has been pretty thoroughly washed out.

But the new capital market still appears to have things to contend with, such as the persistent forward drive of the equity market which naturally detracts from the fixed term securities markets.

Meanwhile, the basic situation in the debt issue market seems to be getting better with some recent top-notch offerings such as Sears, Roebuck, Standard Oil Co. of California and Standard Oil Co. of Indiana, all having developed persistent strength and ability to command substantial premiums from the original prices.

Madison Gas & Electric

Some 12 years ago Madison Gas & Electric Co. won the distinction of being the company fortunate enough to catch the "top" of that particular rising phase of the bond market.

In 1946 the company floated a $5 million bond issue carrying a 2½% interest rate and priced for sale to the public on a yield basis of 2.39%.

This week the company came back to the market with an $11 million offering for which the highest of six bids was 99.814 for a 4⅝% coupon. A price was set to yield the public a return of 4.57%. In the 1946 instance, incidentally, there were 16 bidders.

Equity Mindedness

Public Service Electric & Gas Co., presumably taking its cue from the robust bull market ruling in equities, is going to seek a substantial slice of its new capital needs via an offering of stock.

The company has set in motion plans for offering publicly 700,000 shares of additional common stock. It has registered with the Board of Public Utility Commissioners of New Jersey and anticipates early December as prospective offering time.

At current prices, sale of this block of stock, if the discount from present levels is not too great, should yield the company some $33 million.

Slow Week Looms

Next week promises only two straight offerings of any size, Idaho Power Co.'s $15 million of bonds due up for bids on Tuesday and Oxford Paper Co.'s $10 million of debentures slated for offering on Wednesday.

On Thursday J. I. Case Co. will open subscriptions on a "rights" basis for a $23 million offering of convertible debentures to its stockholders. And Transcontinental Gas Pipe Line Co. has 600,000 shares of common due for market that day.

Meanwhile, there is a total of something like $274 million of prospective offerings held in abeyance due to market conditions, the largest being Southwestern Bell Telephone Co.'s $110 million of debentures.

Simmons & Co. Sells Imperial Packing Stk.

Simmons & Co. of New York City, on Oct. 1 offered publicly an issue of 290,000 shares of common stock of Imperial Packing Corp. at par ($1 per share). The offering has been completed.

The net proceeds will be used to engage in the production of citrus juices and by-products; and the remainder will be used for working capital and other corporate purposes.

The company will engage in the production and sale of canned and frozen fruit and citrus juices, other citrus by-products, and of canned meat specialty items. The company's plant is located at 408 South Atchinson St., Anaheim, Calif.

R. Thorson Director

Reuben Thorson, general partner in charge of the Chicago office and chairman of the executive committee of Paine, Webber, Jackson & Curtis, nationwide investment banking firm, was elected to the board of directors of Booth Fisheries Corporation, Chicago, it was announced by R. P. Fletcher, Jr., President. Mr. Thorson is a past chairman of the board of governors of the Midwest Stock Exchange.

Walls Associates, Inc. Formed in Atlanta

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—Walls Associates, Inc. has been formed with offices in the Candler Building to engage in a securities business. Officers are James W. Walls, President and Howard B. Harmon, Secretary - Treasurer. Mr. Walls was formerly with the Robinson-Humphrey Company, and prior thereto with the First National Bank of Atlanta.

Now With Geo. Eustis

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Robert F. Herbert is now connected with Geo. Eustis & Co., Tri State Bldg., members of the Cincinnati and Midwest Stock Exchanges. He was previously with Weil, Roth & Irving Co.

Walter J. Monro

Walter J. Monro, President of the investment banking firm of Schoellkopf, Hutton & Pomeroy, Inc. since 1942, passed away Oct. 7 at the age of 72.

A nationally-known figure in the investment banking world, Mr. Monro was a former governor of the Investment Bankers Association and has served as Western New York district chairman of the War Finance Committee.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Oct. 12	§71.1	*70.4	65.9	82.2
Equivalent to—					
Steel ingots and castings (net tons)	Oct. 12	§1,918,000	*1,901,000	1,780,000	2,105,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sept. 26	7,099,785	7,087,085	6,863,335	6,820,865
Crude runs to stills—daily average (bbls.)	Sept. 26	¶7,639,000	7,604,000	7,937,000	7,918,000
Gasoline output (bbls.)	Sept. 26	27,758,000	28,010,000	28,206,000	28,428,000
Kerosene output (bbls.)	Sept. 26	2,143,000	2,001,000	1,978,000	1,572,000
Distillate fuel oil output (bbls.)	Sept. 26	12,475,000	12,310,000	11,895,000	12,288,000
Residual fuel oil output (bbls.)	Sept. 26	7,034,000	6,896,000	7,286,000	7,929,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Sept. 26	173,481,000	173,158,000	173,470,000	177,430,000
Kerosene (bbls.) at	Sept. 26	30,942,000	30,011,000	28,624,000	36,331,000
Distillate fuel oil (bbls.) at	Sept. 26	153,633,000	149,461,000	138,322,000	169,265,000
Residual fuel oil (bbls.) at	Sept. 26	69,595,000	68,893,000	67,018,000	57,716,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sept. 27	672,924	667,277	645,432	739,266
Revenue freight received from connections (no. of cars)	Sept. 27	568,608	557,921	544,872	605,969
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Oct. 2	$495,709,000	$370,670,000	$284,377,000	$333,358,000
Private construction	Oct. 2	166,032,000	123,894,000	71,569,000	148,442,000
Public construction	Oct. 2	329,677,000	246,776,000	212,808,000	184,916,000
State and municipal	Oct. 2	252,040,000	216,180,000	172,312,000	169,513,000
Federal	Oct. 2	77,637,000	30,596,000	40,496,000	15,403,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sept. 27	8,895,000	8,425,000	8,290,000	10,248,000
Pennsylvania anthracite (tons)	Sept. 27	491,000	499,000	455,000	529,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Sept. 27	136	136	149	139
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 4	12,111,000	12,342,000	12,025,000	11,564,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 2	301	268	191	261
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 30	6.196c	6.196c	6.188c	5.967c
Pig iron (per gross ton)	Sept. 30	$66.49	$66.49	$66.49	$66.42
Scrap steel (per gross ton)	Sept. 30	$43.50	$43.17	$42.83	$40.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 1	26.100c	26.100c	26.050c	26.525c
Export refinery at	Oct. 1	25.900c	25.850c	24.750c	23.850c
Lead (New York) at	Oct. 1	11.500c	11.000c	10.750c	14.000c
Lead (St. Louis) at	Oct. 1	11.300c	10.800c	10.550c	13.800c
‡Zinc (delivered) at	Oct. 1	10.500c	10.500c	10.500c	10.500c
Zinc (East St. Louis) at	Oct. 1	10.000c	10.000c	10.000c	10.000c
Aluminum (primary pig. 99%) at	Oct. 1	24.700c	24.700c	24.700c	26.000c
Straits tin (New York) at	Oct. 1	95.250c	92.750c	94.750c	93.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 7	88.28	88.10	89.39	87.09
Average corporate	Oct. 7	89.64	89.78	90.91	89.64
Aaa	Oct. 7	93.97	94.12	95.16	94.41
Aa	Oct. 7	92.64	92.64	93.67	92.35
A	Oct. 7	89.37	89.64	90.48	89.51
Baa	Oct. 7	83.15	83.40	84.81	82.77
Railroad Group	Oct. 7	87.99	88.13	88.81	87.99
Public Utilities Group	Oct. 7	88.81	89.23	91.05	89.23
Industrials Group	Oct. 7	92.06	92.20	93.08	91.48
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 7	3.58	3.60	3.46	3.64
Average corporate	Oct. 7	4.44	4.43	4.35	4.44
Aaa	Oct. 7	4.14	4.13	4.06	4.11
Aa	Oct. 7	4.23	4.23	4.16	4.25
A	Oct. 7	4.46	4.44	4.38	4.45
Baa	Oct. 7	4.93	4.91	4.80	4.96
Railroad Group	Oct. 7	4.56	4.55	4.50	4.56
Public Utilities Group	Oct. 7	4.50	4.47	4.34	4.47
Industrials Group	Oct. 7	4.27	4.26	4.20	4.31
MOODY'S COMMODITY INDEX	Oct. 7	388.8	389.3	392.5	392.1
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sept. 27	288,837	260,256	299,431	295,363
Production (tons)	Sept. 27	308,455	311,174	307,590	300,659
Percentage of activity	Sept. 27	94	95	95	99
Unfilled orders (tons) at end of period	Sept. 27	423,901	446,577	407,334	444,626
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Oct. 3	108.92	108.69	108.75	*110.31
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	Sept. 13	2,008,150	1,509,410	1,926,830	1,239,350
Short sales	Sept. 13	433,790	293,390	342,410	265,600
Other sales	Sept. 13	1,524,420	1,201,980	1,523,970	1,055,950
Total sales	Sept. 13	1,958,210	1,495,370	1,866,380	1,321,550
Other transactions initiated on the floor—					
Total purchases	Sept. 13	534,110	398,530	507,980	230,010
Short sales	Sept. 13	32,500	43,100	41,400	46,550
Other sales	Sept. 13	477,880	346,400	500,450	231,420
Total sales	Sept. 13	510,380	389,500	541,850	277,970
Other transactions initiated off the floor—					
Total purchases	Sept. 13	677,929	517,270	618,410	375,045
Short sales	Sept. 13	158,770	83,860	119,710	84,020
Other sales	Sept. 13	705,455	575,570	673,046	391,459
Total sales	Sept. 13	864,225	659,430	792,756	475,479
Total round-lot transactions for account of members—					
Total purchases	Sept. 13	3,220,189	2,425,210	3,053,220	1,844,405
Short sales	Sept. 13	625,060	420,350	503,520	396,170
Other sales	Sept. 13	2,707,755	2,123,950	2,697,466	1,678,829
Total sales	Sept. 13	3,332,815	2,544,300	3,200,986	2,074,999
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Sept. 13	1,333,254	1,024,107	1,223,120	1,177,189
Dollar value	Sept. 13	$63,732,858	$46,827,523	$54,312,556	$55,038,913
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Sept. 13	1,426,379	1,038,465	1,275,383	852,235
Customers' short sales	Sept. 13	5,892	5,334	5,446	11,539
Customers' other sales	Sept. 13	1,420,487	1,033,131	1,269,937	840,696
Dollar value	Sept. 13	$64,937,244	$45,813,508	$55,131,067	$41,053,335
Round-lot sales by dealers—					
Number of shares—Total sales	Sept. 13	479,400	336,310	434,350	186,440
Short sales	Sept. 13	------	------	------	------
Other sales	Sept. 13	479,400	336,310	434,350	186,440
Round-lot purchases by dealers—					
Number of shares	Sept. 13	406,080	325,190	381,420	531,570
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sept. 13	782,760	554,170	673,040	543,740
Other sales	Sept. 13	15,535,020	11,766,890	14,673,530	8,948,240
Total sales	Sept. 13	16,317,780	12,321,060	15,346,570	9,491,980
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Sept. 30	118.8	118.9	118.8	117.5
Farm products	Sept. 30	91.9	92.3	92.6	90.5
Processed foods	Sept. 30	111.0	*111.4	110.2	105.2
Meats	Sept. 30	108.4	*110.0	106.2	91.4
All commodities other than farm and foods	Sept. 30	126.0	126.0	126.1	125.6

*Revised figure. ¶Includes 983,000 barrels of foreign crude runs. §Based on new annual capacity of 140,742,570 tons as of Jan. 1, 1958, as against Jan. 1, 1957 basis of 133,459,150 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of August 30:			
Imports	$255,652,000	$269,096,000	$242,622,000
Exports	384,855,000	379,737,000	523,998,000
Domestic shipments	21,318,000	22,488,000	14,012,000
Domestic warehouse credits	316,156,000	290,371,000	198,110,000
Dollar exchange	131,175,000	140,950,000	66,385,000
Based on goods stored and shipped between foreign countries	253,939,000	250,722,000	182,267,000
Total	1,363,095,000	1,353,364,000	1,227,394,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of August:			
Manufacturing number	206	255	204
Wholesale number	108	105	97
Retail number	549	613	588
Construction number	158	181	165
Commercial service number	106	99	91
Total number	1,127	1,253	1,145
Manufacturers' liabilities	$15,742,000	$22,673,000	$12,847,000
Wholesale liabilities	8,863,000	5,788,000	3,158,000
Retail liabilities	14,347,000	18,784,000	14,752,000
Construction liabilities	8,687,000	13,966,000	10,426,000
Commercial service liabilities	3,126,000	4,164,000	2,331,000
Total liabilities	$50,765,000	$65,375,000	$43,514,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of August	12,234	12,454	11,361
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of July: (Millions of dollars):			
Manufacturing	$49,800	*$50,200	$54,100
Wholesale	12,100	12,100	12,700
Retail	24,000	*24,100	24,100
Total	$85,900	*$86,400	$91,000
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— Crop as of Sept. 1 (in thousands):			
Corn, all (bushels)	3,588,766	3,487,159	3,402,832
Wheat, all (bushels)	1,446,464	1,420,725	947,102
Winter (bushels)	1,170,768	1,170,768	707,201
All spring (bushels)	275,696	249,957	239,901
Durum (bushels)	21,224	18,753	39,680
Other spring (bushels)	254,472	231,204	200,221
Oats (bushels)	1,419,351	1,345,157	1,308,360
Barley (bushels)	466,301	452,592	435,695
Rye (bushels)	34,093	34,093	26,528
Flaxseed (bushels)	37,469	36,682	25,754
Rice (100-lb. bag)	47,747	47,989	43,130
Sorghum grain (bushels)	579,132	496,132	561,977
Cotton (bales)	12,105	11,583	10,964
Hay, all (tons)	118,471	115,936	121,402
Hay, wild (tons)	10,641	10,604	11,313
Hay, alfalfa (tons)	64,870	63,941	69,092
Hay, clover and timothy (tons)	23,849	22,611	22,087
Hay, lespedeza (tons)	5,303	5,237	4,852
Beans, dry edible (cleaned) (100-lb. bags)	18,806	18,369	15,771
Peas, dry field (cleaned) (100-lb. bags)	2,353	2,459	3,270
Soybeans for beans (bushels)	560,776	535,887	479,841
Peanuts (pounds)	1,796,785	1,657,410	1,445,110
Potatoes (hundredweight)—			
Winter	4,780	4,780	6,790
Early spring	3,904	3,904	4,408
Late spring	26,901	26,901	30,104
Early summer	11,006	11,042	9,047
Late summer	35,880	35,811	32,209
Fall	176,575	173,906	156,981
Total	259,046	256,344	239,539
Sweetpotatoes (hundredweight)	18,315	17,807	18,053
Tobacco (pounds)	1,750,698	1,728,292	1,660,553
Sugarcane for sugar and seed (tons)	7,332	7,332	6,750
Sugar beets (tons)	14,793	14,631	15,497
Broomcorn (tons)	33	33	43
Hops (pounds)	50,845	51,918	40,135
Apples, commercial crops (bushels)	126,813	125,999	118,548
Peaches (bushels)	72,089	75,510	62,335
Pears (bushels)	29,564	28,204	31,676
Grapes (tons)	2,809	2,696	2,599
Cherries (12 States) (tons)	186	186	240
Apricots (3 States) (tons)	117	118	190
Cranberries (5 States) (barrels)	1,076	------	1,050
Pecans (pounds)	173,400	179,200	141,350
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE — Month of July (000,000's omitted):			
Ordinary	$4,033	$3,823	$3,739
Industrial	530	559	540
Group	633	780	1,106
Total	$5,196	$5,162	$5,385
MANUFACTURERS' INVENTORIES AND SALES (DEPT. OF COMMERCE) NEW SERIES Month of July (millions of dollars):			
Inventories—			
Durables	28,303	28,528	31,696
Nondurables	21,509	*21,718	22,397
Total	$49,812	*$50,246	$54,093
Sales	26,290	*25,747	29,030
MONEY IN CIRCULATION—TREASURY DEPT. As of July 31 (000's omitted)	$31,171,000	$31,172,000	$30,933
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100 — As of Aug. 15:			
All farm products	251	254	247
Crops	225	228	232
Commercial vegetables, fresh	181	209	232
Cotton	281	260	278
Feed, [illegible] and hay	163	165	169
Food [illegible]	190	190	217
Fruit	239	253	201
Oil-bearing crops	232	227	252
Potatoes	142	185	169
Tobacco	483	473	469
Livestock	275	277	261
Dairy products	255	246	260
Meat animals	338	347	302
Poultry and eggs	166	166	168
Wool	210	210	297
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of August:			
Net sales	------	------	------
Net purchases	$19,127,900	$58,167,000	$26,400,000
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of July (000's omitted):			
Exports	$1,419,000	$1,407,900	$1,691,800
Imports	1,065,000	1,036,600	1,146,500

*Revised figure.

Hall & Hall Adds

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif.—Ralph K. Robinson has joined the staff of Hall & Hall, Bank of America Bldg.

Mutual Funds

By ROBERT R. RICH

Investing in Mutual Funds Continues High; California and New York Lead for First Six Months

The steady growth of investment in shares of open-end investment companies—mutual funds—continued during the first six months of this year with purchases totaling $697,376,000, according to the National Association of Investment Companies.

Residents of California were leading investors in mutual fund shares with purchases totaling $105,526,000 during the six month period.

Close behind were residents of New York State with total purchases of shares in open-end companies of $103,622,000.

Other states whose residents added to the steadily growing total of shares in mutual funds during the six month period included: Pennsylvania with $47,986,000; Illinois with $34,406,000; Missouri with $30,619,000; Massachusetts with $30,350,000; Ohio with $24,770,000; Florida with $23,496,000; Michigan with $23,254,000; Minnesota with $21,008,000; Texas with $19,413,000; Washington with $15,857,000; Iowa with $15,037,000; New Jersey with $14,158,000; Kansas with $13,167,000; Oregon with $10,528,000, and Wisconsin with $10,469,000.

The Association comprises 146 open-end and 24 closed-end companies with combined net assets in excess of $12 billion.

Mutual fund shares represent fractional interests in diversified portfolios of securities administered by professional investment managers. Individuals use such shares for many objectives as part of their long term financial plans—to provide funds for retirement; to provide tuition for school and college or to increase income by obtaining a greater return on their savings.

The NAIC reported that the nation's investment companies continued their gains in net assets, sales and shareholder accounts during the six months period ended June 30. The number of shareholder accounts nation-wide in both types of investment companies totaled 3,671,285 on that date, a new high for the industry.

Initial Report of Lazard Fund, Inc. Shows Assets Gain

The first report of The Lazard Fund, Inc. for the period ending Sept. 30, 1958 disclosed net assets of $122,851,003 equal to $14.45 a share on the 8,500,000 shares outstanding. The fund started on July 11, 1958 with $117,937,500 or $13.875 a share.

The increase in assets and earnings of the fund was accomplished in a two and one-half month period and to date $84,420,086 or approximately 69% of the fund is invested in common stocks, and the balance in Treasury bills and other liquid securities of not more than 90-day maturity.

In a report to the stockholders, Albert J. Hettinger, Jr., Chairman of the Board, and Richard H. Mansfield, President of the fund, outlined the basic objectives of the fund's investment policy. They said, "This fund has been in operation somewhat less than one quarter. In certain instances present holdings are less than our objectives; they simply represent what, in light of market conditions and our judgment, we have been either able or willing to acquire as of Sept. 30. The bulk of the portfolio naturally consists, as it is likely to at all times, of selected issues of leading companies; here there is ample scope for judgment both in the names selected, and the size of relative individual commitments—the long run test is a simple one: performance. Included are some equities of companies less well known; this involves an added degree of independence of judgment. This latter group is likely to be broadened with the passage of time."

The 10 largest common stockholdings listed in the portfolio are as follows: American Telephone & Telegraph Co.; Royal Dutch Petroleum Company 20 Guilders par; National Lead Company; Union Carbide Corp.; Bestwall Gypsum Company; United States Steel Corporation; Standard Oil (New Jersey); du Pont (E. I.) de Nemours & Co.; International Business Machines Corp., and Southern Pacific Company.

National's Sales Largest in History

September sales of shares of National Investors Corporation, the $82 million growth stock fund of the Broad Street Group of Mutual Funds, were the largest in its history, it was reported by Milton Fox-Martin, President of Broad Street Sales Corporation, the national distributor for shares of National Investors.

Proceeds to the 22-year old investment company from 84,322 new shares sold during September totaled $920,285. This represented a gain of 36% from $677,096 in August and 82% from $505,983 in September 1957.

Redemptions of National Investors shares by stockholders stood at $232,715. As a result, net new money invested in the mutual fund in the month of September totaled $687,570, which was also an all-time high.

Funds Sponsoring Education Program

On the theory that the best way to "convert" large numbers of new investors is through education, 60 investment companies and mutual funds are sponsoring the distribution of Arthur Wiesenberger's "Investment Companies" book, the "bible" of their business, to the 15,000 public libraries, college and university libraries and Armed Forces libraries in the U. S.

"Investment Companies" is a 384-page volume published annually for the past 18 years by Arthur Wiesenberger & Company, members of the New York Stock Exchange.

Mr. Wiesenberger confirmed that a further important feature of this project was the distribution of his well-known reference work to selected banks throughout the country, another medium of influence in the lives of most Americans.

To acquaint most Americans with the fact that the book is so readily available and how they may use it to advantage — a year 'round advertising campaign has been scheduled in "Life," "Time," and "Saturday Evening Post." The entire venture is expected to cost $500,000.

"Nothing of this character or scope has been tackled before by the financial community," Mr. Wiesenberger noted. "It is expected that, as a result of this educational program, a million Americans each year will learn—

(1) How to cope with inflation, whether creeping or leaping, by supplementing the buying power of their accumulated dollars.

(2) How to keep their insurance costs at a minimum without sacrificing protection and use the money thus saved for an investment program which should yield additional benefits.

(3) How to chart an investment course through the four stages of an investing lifetime — the Early Years, the Family Years, the Late-Saving Years and the Retirement Years.

(4) How to appraise which investment company or mutual fund is most suitable for them and how to choose among the nearly 250 companies available.

The tremendous growth of investment companies over the past two decades has been the phenomenon of the financial world. Today their assets total over $12 billion. It is evidence of the growing use of this medium by many investors who desire, by purchasing investment company shares, to participate in the risks and fortunes of diversified industries here and abroad under the supervision of professional investment managers.

"More recently," Mr. Wiesenberger emphasized, "this growth has been accelerated by the increasing awareness on the part of the investing public of the inexorable march of inflation. The dollar of a century ago is now worth less than 20 cents. The dollar of 20 years ago has shed more than half its value."

"It is the hope of the sponsors of this project to stimulate more widespread public awareness about investing in general, and mutual funds in particular. A well-informed public will naturally turn to the investment company idea in even greater numbers in the future."

Savings and Loan Based Fund Now In Operation

Insured Accounts Fund, Inc., a new, open-end investment company, will commence the public sale of its securities immediately, reported Ben H. Hazen, the fund's President. A registration statement covering the fund's securities, filed with the Securities and Exchange Commission, became effective on Sept. 17, 1958.

The fund is unlike any other mutual fund ever organized. The fund has been developed to enable large institutional investors to obtain wide diversification of investments in savings and loan associations with insured safety. At least 80% of its assets will be invested in insured accounts of savings and loan associations, and the remainder will be held in Treasury bills and cash.

The need for such a fund became evident, according to Hazen, when leaders in the savings and loan industry realized that money once saved by individuals in savings and loan associations is now being accumulated in pension, health, welfare and labor union funds, many of which involved payroll deductions, and being invested in other securities.

Such funds could have been safely invested in savings and loan associations, but, Hazen pointed out, the task of distributing large sums among many associations in order to keep each investment below the $10,000 insurance limit has been too complicated for those responsible for investing such large accumulations.

Sponsors of the new fund believe that insured savings and loan accounts offer an ideal type of investment for such funds as the value of such accounts does not fluctuate. They are always worth face value and are withdrawable without penalty. They

earn rates of from 2½ to as high as 4%, and no losses have been sustained on such insured accounts since insurance from the Federal Savings & Loan Insurance Corporation became available in 1934. A few million dollars, distributed among such accounts in every state, would enjoy wide diversification, freedom from fluctuation in value, a fair rate of earnings, and insured safety.

The directors of the fund are experienced in the savings and loan field, and they are required to make all investments in savings and loan associations in such manner that they are fully insured.

Certificates of Insured Accounts Fund are redeemable at any time, and after two years the redemption value is at par, without deduction. During the first two years, redemptions are subject to a redemption charge mentioned in the prospectus, for the purpose of discouraging use of the certificates for short-time investment, a substitute for short-term commercial paper, for instance.

Actually, the fund's stock certificates carry no sales loading. They are purchased through a sales organization called Insured Accounts Fund Distributors, Inc., of Boston, and their authorized selling agents in many cities, but the sales cost is not charged to the purchaser, as is the case with most mutual funds. Cost of selling, as well as other excess expenses incurred by the fund, is underwritten by a nonprofit trade association called Home Loan Associates, composed of insured savings and loan associations who pay dues for its maintenance. This association also engages in other activities, to promote the patronage of insured associations and the causes of thrift and home ownership.

Insured Accounts Fund, Inc. is operated by its officers and directors. Ben H. Hazen of Portland, Ore., is President of the corporation and a director, Walter W. McAllister, Sr., of San Antonio, Texas, and Harry R. Andrews of Cambridge, Mass. are the other directors. David A. Bridewell of Chicago is Secretary-Treasurer. The fund's offices are at 902 Chamber of Commerce Building, 80 Federal Street, Boston 10, Mass. Arthur W. Hanson, professor of accounting, emeritus, of Harvard University's School of Business, is its Manager. He is assisted by Mrs. Gertrude G. Cabot, clerk of the corporation. All five of the men are well known in savings and loan circles.

Prospectuses of the fund, its sole sales document, are available through Insured Accounts Fund Distributors, Inc., 85 Devonshire Street, Boston 9, Mass. The President of this sales corporation is J. H. Goddard, of the company bearing his name, long known as brokers of insurance and other stocks. All the stockholders in the company are associated with Mr. Goddard. Hazen serves as Chairman of the Board, but is not a stockholder.

Sovereign Reports Rise in Net Value And Shareholders

Sovereign Investors reporting as of Sept. 30, 1958, shows total net assets of $2,555,508.95 compared with $1,803,683.80 on Jan. 1, 1958. This represents an increase of 41.7% for the period. Outstanding shares of the Fund rose 13.1% from 175,377 shares to 198,298 shares during the same period.

The net asset value per share increased from $10.28 on Jan. 1, 1958, to $12.89 on Sept. 30, 1958, a 25.4% advance in the nine months.

Coast Fund Reveals Net Assets Gain

Total net assets of International Resources Fund increased to $18,167,923 from $16,606,363 during the nine-month period ending Aug. 31, 1958, it was stated by President Coleman W. Morton in his quarterly report to the shareholders.

Net assets per share increased to $3.81 on Aug. 31, 1958 from $3.75 on Nov. 31, 1957, the commencement of the current fiscal year. This represents an increase of 6.4%, after adjusting for the 18 cents per share cash distribution paid Feb. 28, 1958.

During the past quarter substantial new investments were made in the convertible securities of several important producers of natural resources. Companies included in this group were Anglo American Corporation of South Africa Limited, which controls the free world's largest production of gold and diamonds as well as the most important copper-producing group in Africa; Bowater Paper Corporation, Limited, the world's largest producer of newsprint; British Petroleum Company Limited, which holds 25% of the free world's crude oil reserves; and Mannesmann Aktiengesellschaft, the largest steel producer in West Germany.

Emphasizing that "the primary incentive for ownership of a broad cross-section of a natural resource equities rests upon belief in the inevitable growth in demand for raw materials in a world which is industrializing at an accelerating pace," Mr. Morton pointed out that recent proposals for development banks affecting both the Arab nations and the Latin American republics, coupled with U. S. sponsored suggestions to enlarge the powers of the International Bank and the International Monetary Fund would all act to hasten the prospects for greater free world and industrial self-sufficiency. Even a partial attainment of this objective should enhance the prospects for the basic investment program of International Resources Fund, the report indicated.

Putnam Growth Fund Asset Value Up 7½%

The Putnam Growth Fund reports for the quarter ended Aug. 31, 1958 an increase in net asset value per share of 7½%, from $11.27 to a new high of $12.13, after payment of a dividend of five cents per share from investment income during August. Total net assets and number of shareholders also rose to new highs of $4,379,000 and 2,500 respectively, compared with $3,536,100 and 1,900 on May 31.

The total market value of the fund's investment on Aug. 31 exceeded cost by $611,775, compared with $306,412 on May 31. Common stocks represented 83% of the fund's total investment, compared with 73% on May 31.

"The companies owned by the fund are coming through this recessionary period in good shape," Charles M. Werly, Trustee, said. "Almost all of them will report higher earnings in 1958 and a number of dividend increases have been reported—and a good indication of inherent growth. In no case has a dividend been reduced."

Investment changes during the May 31-Aug. 31 period included complete divestment of shares of Outboard Marine Corp. and a fairly heavy new position in Thermo King Corp.

Missiles-Jets Shares Offered on Continuous Basis

Continuous offering of Missiles-Jets & Automation Fund, Inc., a mutual fund primarily devoted to securities in the missiles-jets and automation industries, began Oct. 2, 1958, it was announced by Ira Haupt & Co., underwriters and distributors.

The initial selling group comprises more than 200 investment dealers throughout the country.

As the fund began its continuous offering, its portfolio of securities was made public for the first time. The following securities were included in its investments: Aerojet General; American Bosch Arma; Consolidated Diesel Electric; Corning Glass; Cross Co.; Eastern Industries; Electronic Specialty; Food Machinery; General Mills; General Tire; Lukens Steel; Marquardt Aircraft; Minneapolis Honeywell; Northern American Aviation; Radio Corp. of America; Raytheon Mfg.; Robertshaw Fulton; Texas Instruments; Thiokol Chemical and United Aircraft 4% cumulative convertible.

Missiles-Jets & Automation Fund originally was organized as a closed-end investment company underwritten by a national syndicate of 68 dealers headed by Ira Haupt & Co., on July 8, 1958.

A number of distinguished scientists were among its organizers and they now serve on its Technical Advisory Board or are in management.

Dr. Theodore von Karman, who is chairman of the Advisory Group for Aeronautical Research and Development of NATO, is chairman of the fund's board of directors.

Andrew G. Haley, President of the International Astronautical Federation, and general counsel of the American Rocket Society, is President of the fund.

The investment counsel firm of Templeton, Dobbrow & Vance is retained by the fund as its investment adviser.

Carriers & General Reports 18.7% Gain In Net Asset Value

Total net assets of Carriers & General Corporation at Aug. 31, 1958 were $17,366,040, excluding unamortized debenture financing costs and before deducting the principal amount ($1,872,000) of outstanding debentures, according to the report accompanying payment of the company's 112th consecutive dividend, mailed Oct. 1. It is a closed-end fund managed by Calvin Bullock, Ltd. and is listed on the New York Stock Exchange.

Net assets per share on the same date amounted to $27.62, the report said, a gain of 18.7% over the net asset value of $23.27 per share at Dec. 31, 1957.

"The rise in common stock prices, as measured by well-known 'averages,' has been substantial during 1958 to date," the report told shareholders. "However, the figures for business activity and earnings have, for the most part, been well below both the 1956 and 1957 levels. There are impressive indications that business recovery in major fields has been under way since the late spring of 1958, and it is undoubtedly a reflection of confidence that this trend will continue, plus anticipation of further inflationary developments, that have contributed to a rise in common stock prices more substantial than business statistics would normally justify.

"In these circumstances, a conservative investment policy has been continued by your management. Approximately 12% of the corporation's assets was represented by cash and U. S. Government securities at Aug. 31, 1958, while common stocks accounted for 79% of assets."

Canada General Cutbacks Sharply On Preferred Stks.

The net asset value per share of Canada General Fund Ltd. increased to $13.30 from $12.15 in the fourth quarter of the fiscal year ended Aug. 31.

The total net assets of the large American-sponsored mutual fund climbed to $85,759,791 from $78,312,770 three months earlier.

A year ago, the Fund's net asset value per share amounted to $12.80 while total net assets stood at $83,660,646.

Henry T. Vance, the Fund's President, told shareholders that net investment income for the year amounted to $1,966,453, or about 27 cents per share. This, he explained, was retained and kept at work for the benefit of shareholders in accordance with the policy of the Fund.

Mr. Vance noted "that the Fund's management has continued to reduce the number of preferred stocks in the portfolio, and also has utilized available cash for investment to take advantage of existing opportunities in individual situations that appear to have good long-range growth potential."

The Canada General annual report includes a summary of the Canadian economic situation as well as a review of the business outlook in a number of the country's key industries.

"The business review," Mr. Vance said, "seems to point up significantly that the fact that Canada is already a land of proven wealth with a mature and modern industrial economy which has the plant, equipment and technological skills to take full advantage of the development of its rich storehouse of natural resources."

There was one new addition to the portfolio by the purchase of Canadian Delhi Oil Ltd. 5½s, 1973, and only one increase in holdings which was in Great Lakes Power Corp., Ltd.

Eliminated from the portfolio was British Columbia Telephone 4⅝% Pfd.; British Columbia Telephone 4½% Pfd.; Confederation Life Association; Loblaw Companies, Ltd. $2.40 Pfd.; Manufacturers Life Insurance Co. and Power Corp. of Canada 4½% Pfd. A decrease in holdings was made in British Columbia Electric Co., Ltd. 4¼% Pfd.; Canadian Devonian Petroleums Ltd., Canada Safeway Ltd. $4.40 Pfd.; and Western Grocers Ltd. $1.40 Pfd.

Aberdeen Reports 24% Net Asset Gain

Charles L. Bailey, Vice-President of Aberdeen Fund, issued the following report:

	Sept. 30, 1958 $	Dec. 31, 1957 $	9 Mos. Increase
Total net assets	11,909,743	8,942,877	33%
Shares outstanding	6,695,776	6,210,275	8%
Asset value per share	$1.78	$1.44	24%

On Sept. 30, 1958, total net assets reached an all-time peak for any ending period.

Continues With Firm

H. N. Whitney, Goadby & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, have announced that Junius A. Richards has retired as a general partner in the firm but will continue his association with them as a registered representative.

Broad Street Revises Letter Of Intent

Broad Street Sales Corporation has drawn up new, improved, simplified Purchase Intention and Price Agreement forms for Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund, Inc., according to Milton Fox-Martin, President of Broad Street Sales Corporation, national distributor of the Broad Street Group of Mutual Funds.

The new Purchase Intention and Price Agreement for individuals is a 13-month letter of intention to be executed in triplicate by investors who wish to purchase a minimum $25,000 worth of one of the Broad Street Funds during this period. The investor receives additional shares for any discount due him at the end of the program; and the dealer receives his commissions on all purchases, as they are made, at the commission rate applicable to the investor's intended purchases during the 13-month period.

There is a special form for use by tax-exempt organizations enumerated in Section 501 of the Internal Revenue Code, or employees' trusts, pension, profit-sharing, or other employee benefit plans qualified under Section 401 of the Internal Revenue Code. These purchasers immediately receive the discount applicable to their intended program for the 13-month period and agree to repay any discount not earned.

Broad Street Sales Corporation takes care of the mechanics of these plans, sets up reserves for possible adjustments and keeps the dealer posted.

With D. W. Holmes

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif. — Vernon W. Shipple has become associated with D. W. Holmes & Co., 1052 East Olive Avenue. He was formerly with H. H. Shields & Co. and Francis I. du Pont & Co.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C.—There are 14,054 banks, big and little, in this country, and 2,066 of them have a total of 8,923 branches. On June 30 these institutions had deposits totaling approximately $236 billion, and $117 billion in loans outstanding.

These banks had more than 53,000,000 checking accounts, and they are clearing each year more than 10 billion bank checks, totaling an estimated $3 trillion.

About 90% of all money transactions are handled by checks. Obviously a tremendous amount of paper work is involved.

These statistics were supplied for the most part by the Federal Reserve System, the Federal Deposit Insurance Corporation, and the American Bankers Association. They are large enough to stagger the lay mind, and probably cause some eye brow raising to the men and women in the banking field.

Back in 1947 the bank deposits amounted to $162 billion and loans outstanding amounted to $43 billion. These figures were regarded as truly collosal in the American economy that year, but the total increase since then has been little short of sensational.

The Merger Trend

But what about the future of banks in this country in view of so many mergers taking place? The average business man has been asking this question in view of the many mergers. With the economy growing, and the banks playing a vital role in nearly every community of the nation, the banks are destined to have a major part in the future economic expansion.

The best immediate answer to the future of the national and state banks, comes from the distinguished chairman of the Federal Deposit Insurance Corporation, Jesse P. Wolcott.* Mr. Wolcott is a former Michigan congressman and was a long-time member of the House Banking and Currency Committee.

One of the problems facing banks now and in the future will likely be the problem of adequate capital. Loan demands in the future are expected to put great pressure on the banks. Chairman Wolcott peered into the future, based on the research of the FDIC, and came up with some pertinent observations.

"Looking ahead to the next quarter of a century," said he, "we can be confident that, so long as we are able to maintain peace, our economic system will continue its remarkable record of growth. If our output continues to grow at an average annual rate of approximately 4% a year, we may expect that deposits will grow at about the same rate. . . . Assuming then, a 4% growth rate of deposits, we can estimate that our banks in 1983 will have more than $600 billion of deposits, and there will be a corresponding growth of bank assets. Growth of this order of magnitude is not only quite probable but desirable. Nevertheless, it may give rise to certain new banking problems and perhaps accentuate some old ones."

*Commercial and Financial Chronicle, Oct. 2, 1958.

Many banks for the past 10 or 12 years have used their profits as the principal sources of capital funds. Commenting on this fact, Chairman Wolcott says:

"**. . . We will need to have approximately $30 billion of new capital added to our banking system by 1983, if we are merely to retain the present ratio of capital to total assets. We must continue our present rate of additions to capital, if we are to remain in approximately the same relative position we are in today.**

"The difficulty is that the present capital level is not sufficient, and is likely to become even less satisfactory as years go by. To alleviate this the banking system will have to participate vigorously in the financing of the economic growth which this nation must and will have during the next quarter century."

The Insurance Fund

Of the 14,054 banks—national and state—there were 13,382 insured by the FDIC on June 30, 1958. The number of banks participating in federal insurance declined by 22 during the six months ended June 30. Thirty-five new insured banks were admitted to insurance, but these were more than offset by the merger of absorption of 71 insured banks, and the closing of four banks.

Total assets of the FDIC, which began operations 25 years ago, amounted to $2,045,689,488. About 99% of the Corporation's assets consists of Federal government securities and accrued interest thereon.

Mr. Wolcott expresses confidence that the insurance fund of FDIC will continue to grow within the next 25 years, both in dollar amount and relation to total deposits in the banks. However, he is emphasizing in a series of speeches he is presenting that the insurance fund does not now serve, nor was it intended to serve, as a substitute for bank capital.

Many banks have become stronger in capital through the sale of stock in their banks, and many probably will offer stock in the future. The banks are having to compete with the non-bank financial institutions which have had tremendous growth during the past 25 years. These include the life insurance companies, savings and loan associations, credit unions, and personal finance companies.

Mr. Wolcott points out that these institutions are meeting the needs of many people, but that the banks could do the job just as well, or better. The chairman of FDIC also makes this pertinent observation: ". . . To a certain extent their growth has reflected the fact that in one way or another, they are not subject to the various restrictions applied to banks. However, another reason for their growth is the failure of banks to meet the financial needs of the public as rapidly or as conveniently as these institutions have been able to do."

Fundamental Changes Expected

On the question of bank mergers during the next 25 years, Mr. Wolcott declares that fundamental changes will continue to take place. There were about 30,000 banks operating in 1920. However, this number declined precipitously from 1930-33 during the banking collapse. The number has been declining slowly, but steadily ever since. Of course the decline in recent years has been the result of the mergers.

Actually, there are fewer banks in the country now than operated in 1904. However, an offsetting trend in the declining numbers is the marked increase in branch banks in the early 1920's as compared with the 8,923 now operating. Today these branches do about 38% of the banking business.

However, the increase in branches has not kept pace with the population growth. In 1920 there was one banking office for every 3,000 people. Today there is one office serving 7,500 people.

This brings up the question: Will each bank and branch serve more and more people as time goes on? By 1975 the population of the United States is expected to total 221,000,000. If the Bureau of the Census is correct in its estimates, the Pacific Coast region is expected to show the greatest growth of any region, and the Mountain States the next biggest gain.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" owns views.]

BUSINESS BUZZ

"ME AND MY SHADOW--"

Joseph Smith Opens

UKIAH, Calif.—Joseph Smith, Sr. is engaging in a securities business from offices at 253 Irvington Drive.

Business Man's Bookshelf

American Industry's Scientific Technical Executive Needs—Survey of 612 leading companies—Hoff, Canny, Bowen & Associates, Inc., 405 Lexington Avenue, New York 17, N. Y.—paper.

Business Fact Book: Elmira Area 1957 — Business and economic information on the six-county region — New York State Department of Commerce, 112 State Street, Albany 7, N. Y. (paper).

Credit Management Handbook — Prepared and edited by the Credit Research Foundation—Richard D. Irwin, Inc., Homewood, Illinois (cloth), $12.00.

Cumulative Voting in Corporate Management — Charles Harwood, Jr., 271 North Avenue, New Rochelle, N. Y.—paper—$6.50.

Estate Planning Manual—Foundation for Tax & Estate Planning, 541 Boylston Street, Boston 16, Mass.—$12.50.

Hand in Hand—Story of selective cooperative scientific education in the United States—Gordon & Company, Medford 56, Mass.—$10.

International Bank for Reconstruction and Development—13th annual report—International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C.—paper.

International Finance Corporation Second annual report—International Finance Corporation, Washington, D. C.—paper.

International Monetary Fund — Annual report — International Monetary Fund, Washington, D. C.—paper.

Manpower Needs and Employment Opportunities: Employment Outlook for Technicians, 25c; Job Guide for Young Workers, 40c; Employment Opportunities for Women in Legal Work, 20c; Earnings and Employment Conditions of Nurses and Other Hospital Personnel, 15c—U. S. Department of Labor, 341 Ninth Avenue, New York 1, N. Y.

New Capitalism — 12 articles on various aspects in the October issue of "Challenge" Magazine —New York University Institute of Economic Affairs, New York —25c.

Particle Board Can Have a Future — In current issue of "Wood Research"—Timber Engineering Company, 1319 Eighteenth St., N. W., Washington 6, D. C.—paper—on request.

Postwar Banking Developments in New York State—A Summary Report—New York State Banking Department, 100 Church Street, New York, N. Y.—paper—65c.

Process Equipment — Brochure of equipment for mining, chemical, stone, ceramics, water, sewage and industrial waste applications — Hardinge Company, Incorporated, York, Pa.

Register of Defunct and Other Companies Removed from the Stock Exchange Official Year Book—Thomas Skinner & Co., Ltd., Gresham House, Old Broad Street, E. C. 2, London, England—30 shillings (New York office, 111 Broadway, New York 6, N. Y.)

Schedule of Par Values—26th issue — International Monetary Fund, Washington, D. C.—paper.

Sound Business Purpose—Robert S. Holzman—The Ronald Press Company, 15 East 26th Street, New York 10, N. Y.—cloth—$10.

Statistical Summary for banking and financial tables—Research Department, Bank of Canada, Ottawa, Ont., Canada—paper.

Stock Exchange Official Year Book, Vol. 2—Thomas Skinner & Co., Ltd., Old Broad Street, E. C. 2, London, England (New York office, 111 Broadway, New York 6, N. Y.)—$35 for the two volumes.

Story of Checks—21-page picture booklet describing past, present and future role of checks in the United States—Public Information Department, Federal Reserve Bank of New York, New York, N. Y.—on request.

Sugar Companies—34th manual—Farr & Co., 120 Wall Street, New York 5, N. Y.—cloth—$4.